

THE ECONOMIC TIMES **wealth**

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SMART TAX MOVES BEFORE 31 MARCH

Find out how you can maximise gains and optimise tax before the financial year ends.

By Babar Zaidi

Two months ago, the word tax meant nothing to Supriya Rao. Just one year into her first job, the 24-year-old IT professional was earning a modest salary of ₹48,000 a month, which meant that her net taxable income after deductions was below ₹5 lakh and therefore, escaped tax completely. But things changed when Rao took up a new job in February at a salary of ₹85,000 a month. "When I declared my previous income to the new company, they told me to invest ₹65,000 more under Section 80C or get ready to pay a high tax," she says.

Like Rao, many taxpayers are running around to finish their tax-saving investments before the financial year ends. To be sure, tax planning is more than just utilising the various deductions under Section 80. It also includes planning capital gains in a way to minimise the tax outgo. Our cover story looks at smart tax moves that investors and taxpayers should make in the dying days of the financial year. Read on to know how these steps can benefit you.

#1 CLAIM FULL TAX DEDUCTION

The tax saved pushes up the effective returns on tax saving investments

Before you start, calculate how much more you need to invest under Sec 80C. Many taxpayers may not be aware how much they have already invested or the various expenses that are eligible for deduction. For instance, tuition fees of up to two children can be claimed as a deduction under Section 80C. For many parents with school going children, this takes care of a large portion of their tax-saving limit without putting any pressure on the pocket. Use the table on this page to calculate how much you need to save. You might discover that your tax planning is nearly taken care of.

If you have not fully utilised the ₹1.5 lakh limit under Sec 80C, or even the ₹50,000 deduction for NPS contribution under Sec 80CCD(1b), it's time to do so now. Tax filing portal Taxspanner estimates that almost 25% taxpayers who file returns do not utilise the deductions available to them. "One should try and maximise tax savings by availing deductions and exemptions. Why leave money on the table?" says Sudhir Kaushik, CEO and co-founder of Taxspanner.com.

Do you need to save at all?

Use this table to calculate how much more you need to save.

INVESTMENTS & EXPENSES UNDER SEC 80C	EXAMPLE	YOUR FIGURES
A. Provident Fund (your contribution)	72,000	
B. PPF	10,000	
C. Life insurance premium	15,000	
D. Home loan EMI (principal portion)	0	
E. ELSS	0	
F. Tuition fee of two children	36,000	
G. Total (A+B+C+D+E+F)	1,33,000	
H. Additional savings needed (1,50,000 - G)	17,000	

In the example, the individual needs to save only ₹17,000 more under Sec 80C.

Maximise the deduction

Borderline cases with income slightly over ₹5 lakh stand to gain a lot from tax planning.

	PARTIAL DEDUCTION CLAIMED	FULL DEDUCTION CLAIMED
Gross taxable income	6,50,000	6,50,000
Deductions claimed	1,00,000	1,50,000
Net taxable income	5,50,000	5,00,000
Tax payable	23,400	Nil

By investing ₹50,000 more under Sec 80C, the taxpayer cuts his taxable income to ₹5 lakh and claims full tax rebate under Sec 87A.

Supriya Rao, 24, IT Professional, Hyderabad



With a salary of ₹48,000 a month, her taxable income was below ₹5 lakh so she didn't do any saving except ₹34,000 in the PF. But after she joined a new job at a salary of ₹85,000 in February, her income rose to ₹6.5 lakh. She must save ₹66,000 more to escape tax.



Given her age, Rao should ideally go for equity-oriented investments. But investing a large sum in ELSS funds is fraught with risk. Therefore, she should put ₹30,000 in the PPF and the remaining ₹36,000 in ELSS funds.

Smart ways to raise money for tax savings



Withdraw from PPF

If you have a PPF account more than six years old, you can withdraw up to 50% of the balance in the preceding year. Takes 2-3 working days.

Redeem and reinvest in ELSS

ELSS funds that have completed the 3-year lock-in period can be redeemed and the amount reinvested to claim deduction. This is also possible in case of equity funds purchased more than a year ago. Takes 3-4 working days.

Loan against policies

LIC offers loans at 10-12% against insurance policies to policyholders. Though not the best option, this can be used if there is no other way. Takes 3-4 working days.

Personal loan

Take a short-term personal loan to save tax. Personal loans are not cheap so this is not the best option. Takes 1-2 days.

Look at it this way. The investment will give you a tax benefit of up to 20-30% depending on your income slab. Taxpayers like Rao (see picture), whose income is marginally above the ₹5 lakh threshold, also stand to gain a lot. By investing ₹66,000 more under Sec 80C, she will be able to reduce her net taxable income to ₹5 lakh, thereby reducing her tax from ₹26,500 to zero. Even without factoring in the return earned by the investment, Rao will gain 40% in the first year.

#2 REDEEM AND REINVEST

Redeem and reinvest or even take a loan to claim tax deduction

What if you don't have enough liquidity? There are several ways to raise money (see graphic), but the easiest way out is to withdraw from existing investments and reinvest the proceeds in tax-saving instruments. If you have ELSS funds that have completed the three-year lock-in period, just redeem them and reinvest the amount you have to save. Some financial planners may frown upon this strategy. Their con-

tention is that one should stay invested for the long term and investments should be done out of incremental income. That's true, but keep in mind that by reinvesting the redemption proceeds, you are not really withdrawing the investment. The entire exercise is meant only to help you claim tax deduction.

When redeeming regular equity or hybrid funds, keep in mind that if the investment has not completed one year, there could be tax implications. The PPF is a very appropriate source of the funds needed for tax saving investments. There is also no tax implication on withdrawals. But you can withdraw only after the sixth year and that too only 50% of the balance in the preceding year.

If redeeming investments is not possible, go for a short-term loan. One can borrow against insurance policies at 10%. Personal loans are costlier, but the borrower will still stand to gain from the tax saved. "Taxpayers should do a cost-benefit analysis. If an investment is not earning good returns, it is better to liquidate it and invest in tax-saving investments," says Amit Maheshwari, Tax Partner at tax consultancy firm AKM Global.

Avinash Gupta, 38, Marketing manager, Gurgaon



Even after claiming HRA exemption and deduction of ₹1.5 lakh for Section 80C investments and medical insurance for his family and parents, he still pays a high tax of over ₹2 lakh on an income of ₹18 lakh. He wants to save more tax.



One way Gupta can reduce his tax is by investing in the NPS and claiming deduction under Section 80CCD(1b). A contribution of ₹50,000 will cut his tax by ₹15,600. But NPS will lock up his money till the time he retires.

#3 AVOID MULTI-YEAR COMMITMENTS

Such long-term investments should not be done in a hurry

With less than 10 days to go, the Rip Van Winkles of tax planning are sitting ducks for insurance missellers and unscrupulous bank relationship managers. Insurance agents try to force the customer into making a quick decision, but the golden rule is never to buy a life insurance policy in a hurry. "A life insurance plan should not be bought at the drop of a hat. Any investment that requires a multi-year commitment must be assessed in detail," says Saraswathi Kasturirangan, Partner, Deloitte India.

One should assess the need for life insurance cover, his ability to service the premium for the full term and the features of the policy. With just 10 days to go, you may not have time for this scrutiny. So it is better to stick to easier to understand instruments such as tax-saving fixed deposits and small savings schemes. The PPF offers 7.1% tax free, but now that elections are out of the way, the government may cut the rate on small saving schemes. ELSS funds carry risk, but don't require multi-year commitments and have a short lock-in period of three years. "ELSS funds score on tax benefits, returns and low lock-in periods. They offer high liquidity and can give better returns compared to other instruments such as NSCs and PPF," says Dilshad Billimoria, Managing Director of Dilzer Consultants.

Turn to page 18 to know which are the best performing ELSS funds.

#4 CHOOSE THE RIGHT TAX REGIME

The new simplified tax regime has more tax slabs and lower tax rates

At the same time, it is understandable if someone is unable to spare enough money for tax savings. The past two years have been very difficult for some households. The salary cuts and Covid expenses have wiped out savings. If someone is facing a crunch and not able to save enough, she can opt for the new tax regime which has more slabs and lower rates of tax but does not allow any deduction or exemption. You don't get to claim HRA exemption, or deduction for home loan interest, health insurance or investments under Sec 80C. Even the ₹50,000 standard deduction offered to salaried taxpayers and pensioners is not allowed. "The new simplified tax regime is not tax efficient for people earning ₹15 lakh and above," says Kasturirangan of Deloitte. As a simple thumb rule, if you claim more than ₹2 lakh in deductions and exemptions, don't go for the new tax regime (see graphic).

#5 HARVEST GAINS AND BOOK LOSSES

Book profits in stocks and equity funds for exemption of ₹1 lakh

Mumbai-based Nimesh Parekh is a long-term investor in equities, but also churns

Old or new tax regime?

The following deductions are not available under the new tax regime.

Standard deduction
Provident Fund (your contribution)
HRA exemption & home loan EMI
Investments in PPF, ELSS, NSCs
Life insurance premium
NPS, pension plan contributions
Health insurance premium
Tuition fee of two children
Education loan interest

Taxpayers who claim deduction of more than ₹2 lakh will not gain under new regime.

his portfolio once in a while. "I keep booking profits to claim the exemption of ₹1 lakh in a financial year for long-term gains from stocks and equity funds," he says. He sold some stocks when markets were rallying in January and made handsome gains, but also lost money when the Ukraine crisis hit the markets.

If you have also made gains on your stocks and equity funds, book partial profits before 31 March and pocket tax-free gains of up to ₹1 lakh. The same stocks and equity funds can be bought back again, but their price of acquisition for tax computation will be reset.

The same goes for capital losses. If you have been unlucky with some stocks (Paytm and Car Trade investors know exactly what this means), book losses now to adjust against gains from other investments. "Losses in some shares can be set off against gains from other capital assets," says Maheshwari of AKM Global. But one should be aware of the set-off rules. Long-term capital losses can be set off only against long-term capital gains. But short-term capital losses can be set off against short-term or long-term capital gains.

It is not difficult to find out your capital gains for the year. You can log on to your mutual fund or brokerage house and get a capital gains statement within minutes. A better idea is to get a consolidated statement from mutual fund transfer agency Computer Age Management Services. The statement is mailed to you within minutes of placing the request.

#6 BUY NOW TO GET MORE INDEXATION

Additional indexation benefit of one year if you buy before 31 March

It's a good idea to stock up on debt funds

One week delay can save 38% tax

Selling non-equity assets after 31 March will give indexation benefit of another financial year.

AMOUNT INVESTED	DATE OF INVESTMENT	RETURNS (CAGR)
₹10 lakh	25 March 2018	8%
Value on 25 March 2021	₹12,59,712	
	IF SOLD ON 26 MARCH 2021	IF SOLD ON 1 APRIL 2021
Indexed cost	₹11,06,618	₹11,65,441
Capital gain	₹1,53,094	₹94,271
Tax (20%)	₹30,618	₹18,854

By waiting till the next financial year, investor saves ₹11,764 in tax.

Nimesh Parekh, 44, Finance Professional, Mumbai



Though he is a long-term investor in stocks and mutual funds, Parekh has sold some of his holdings in the past one month. He wants to harvest the tax-free long-term capital gains of ₹1 lakh on equities before the year ends and reinvest the money in the markets. He also plans to sell some debt funds.



While it makes sense to harvest the ₹1 lakh capital gains, Parekh should sell his non-equity funds after the end of the financial year. This way, he can claim an indexation benefit of one more year.

and other non-equity schemes before the financial year ends. If the holding period is three years, you get the indexation benefit of three years. But if the holding period extends to the fourth financial year, you get an additional benefit of one more year. This is why it makes sense not to sell your debt funds right now but wait for the new financial year for indexation benefit of one more year (see graphic).

In fact, the equity and debt strategies can complement each other. Let us assume an investor is holding equity funds for more than a year and debt schemes for more than three years. Both will be treated as long-term capital assets for taxation. The investor should book profits of up to ₹1 lakh in

equity funds, and reinvest the redemption proceeds in debt funds before 31 March. After the financial year ends, he should sell his long-term debt fund holdings and reinvest in equity funds. He gains in three ways: harvests tax-free long-term gains of up to ₹1 lakh in equity funds, invests in debt funds before the end of March to get indexation benefit for 2021-22, and gets extra indexation benefit of 2022-23 on long-term debt funds. This requires some financial juggling and it is better to consult a tax expert before implementing this strategy.



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Balanced Advantage Fund	Dynamically managed	Fund manager strives to offer protection with his expertise		Tactical allocation for all risk profiles
Equity Savings Fund	Minimum 65% in equity including arbitrage and 10% in debt	Arbitrage plus a minimum of 10% in debt provides stability. Arbitrage also provides tax advantage.		Anytime, as the fund is a tax efficient parking lot for surpluses pending deployment into equities

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DHIRENDRA KUMAR
CEO, VALUE RESEARCH

MONEY MYSTERIES

Social media seems to have generated an illusion of control. People feel that they are digging out information themselves and doing their own 'research'.

The many dangers of social investing

For investors, social media has opened up a host of new pitfalls and deepened some of the older ones, says **Dhirendra Kumar**.

Last week, Sebi issued a press release detailing its crackdown on social media-based market manipulation schemes. In this episode, Sebi raided a number of premises and made seizures that revealed an impressively large social media operation. This gang was operating nine Telegram channels with a total of 5 million subscribers. The modus operandi of the operators was that they would buy large positions in some stocks, then use their following on social media to trigger large scale buying and when the prices shot up, they would unload the stocks at a large profit.

There's nothing new about this activity—it's as old as the market itself. Buy something, pass around some 'tips' and spread rumours to boost the price. What has changed over the years is the mode of communication. The reach and the speed is much higher and the detectability is somewhat lower. The move from oral communication to SMS and now social media has made things worse.

Social media lends itself to strongly held opinions. From covid to cricket to investments, people are so certain of themselves.

However, looking around at what traders are actually doing shows that this kind of organised racketeering is actually less of a problem than what could be called unorganised or spontaneous price manipulation. The classic case is the GameStop story from the US which happened around late 2020 to early 2021. Gamestop is a US store chain that sells computer games. Given the shift to online game delivery and the general retreat from physical stores because of the virus, it was considered a dying business and was being heavily shorted, primarily by a hedge fund named Melvin Cap. Then, a group of people on the Reddit online community, specifically in the 'wallstreetbets' subreddit, figured out that Melvin was shorting the stock heavily and started an online campaign in their community to buy the stock and trap Melvin into a 'short squeeze'. Wallstreetbets has close to three million members and the campaign was wildly successful. The Gamestop stock went up about 10x in less than a month and short-sellers are said to have lost \$5 billion during this time. The power of social media to mobilise crowds is an unknown quantity in the investment markets and we are really only beginning



to get a taste of it now.

Nothing public like this has happened in India but there are any number of social media trading tips rings that appear to be unorganised but have a sizable scale and impact. People who participate in some of them can see the price impact of information that is being passed around and yet, they don't appear to be top-down because a large proportion of users pitch ideas and discuss (fight) over them. There's plenty of public action like this on Twitter and some on Facebook as well. It's hard to believe that these are not having a material impact on how people view investments.

The old 'tip' mental model is still alive and well—there are people who know the secret of which stocks are going up, and if they tell me I can make money. Except that social media seems to have generated an illusion of control. People feel that they are digging out information themselves and doing their own 'research'. Not just that, they are contributing their own research back to this community. Two decades ago, when business TV channels really took off,

I used to be surprised at the intensity with which the anchors would comment on the most mundane movements of the indexes and assign reasons to what was essentially randomness. I thought that was information overload and would prevent people from thinking clearly about investments. Now, with social media taking over, the noise and the information media is probably a hundred-fold.

There's another problem, which is that somehow, social media seems to lend itself to more strongly held opinions. From covid to cricket to Ukraine to investments, people are so certain of themselves, often without any basis at all. All in all, it's not quite clear that for investors who are not grounded in the basic principles of investing, social media is a positive force. Sebi can on the racketeers, but regulating one's one behaviour is something that investors have to do themselves.



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Fixed income from crypto assets

These FD-like crypto-linked investments remain outside the regulatory purview.

By Aseem Gujar & Partha Sinha

In order to minimise the vulnerability virtual currencies offer, many start-ups have started offering fixed-income on these investments. However, the earned interest also comes in the form of crypto only.

These FD-like products promise passive income to those seeking exposure to crypto. These products have an investment tenure ranging from a week to a year and allow cashing out early, if needed, without any penalty. Though these seem similar to bank FDs, such crypto-linked investments remain outside the regulatory purview.

Industry players said that such products are mostly targeted at those who understand crypto technology.

Just like how a bank FD can be booked through netbanking, crypto holders too can perform the transaction online after selecting a lock-in period. The platform then lends your crypto holdings to other exchange users as a margin for trading or even lets other bourses borrow for their liquidity needs.

Monetising idle virtual assets



- Some crypto exchanges and investment platforms are offering interest on crypto assets deposited with them.
- They have lock-in periods from a week to a year and interest is paid in crypto itself.
- The interest rates on crypto vary from token to token according to demand and supply. They can range from 3% to double digits.
- Industry players say that it is the crypto exchange that takes the risk in these fixed-income products.

At the end of the lock-in period, the platform returns the principal back with interest — all in crypto terms. The platform earns from the difference between the borrowing and lending rates.

If you have 100 Bitcoin and the interest rate is, say, 10%, at the end of the year, your wallet will be credited with 110 Bitcoin. However, as returns on your deposits will be in crypto, earnings in fiat money will depend on the value of the virtual asset at the end of the tenure.

The interest rate for cryptocurrencies can vary depending on demand. For example, crypto exchange Vault offers 3% per annum for tokens like Matic and Lumen, 6.5% per for Bitcoin and Ether, and 12% for stablecoins like Tether & USD Coin, according to its website.

However, returns may not be fully guaranteed. For instance, crypto investment platform Flint said it promises 'up to' 13% returns on some stablecoins for compliance purposes.

CRYPTO MONITOR

Tracks movement of major cryptos in past 6 months

CRYPTO ASSET	PRICE (₹) ON 15 MAR 2022	CHANGE (%)		
		1-MTH	3-MTH	6-MTH
Bitcoin	30,91,032	-10.70	-19.98	-16.82
Ethereum	2,05,978	-16.64	-35.02	-26.17
Matic	110	-23.73	-34.46	1.19
Sandbox	217	-36.97	-46.34	NA
Luna	6,995	57.90	42.75	145.44
Solana	6,535	-20.29	-53.65	-47.51
Cardano	63.04	-26.99	-38.80	-67.17
Ripple	60.24	-9.54	-8.52	-30.54
Chainlink	1,082.57	-17.42	-29.92	-54.20

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Should you join the gold rush?

Look beyond current geopolitical tensions and maintain strategic allocation to gold.

GETTYIMAGES

by Sanket Dhanorkar

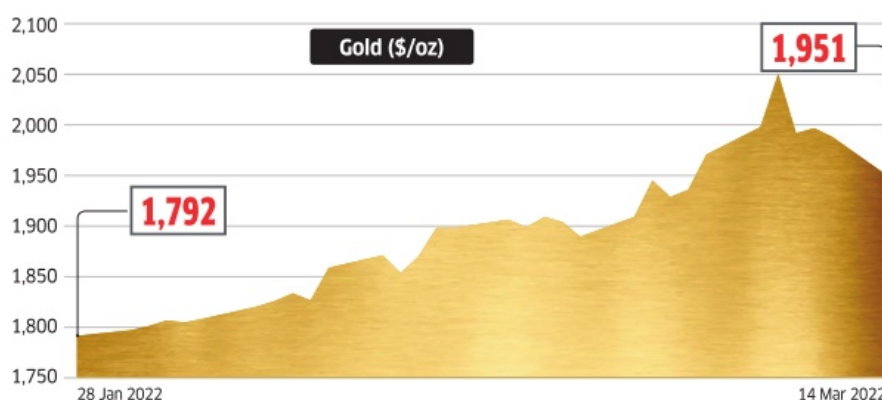
With the Russia-Ukraine conflict raging, gold has again emerged as the go-to investment avenue. International gold prices briefly surged beyond \$2,000 per ounce—testing lifetime highs—before receding quickly. Will geopolitical tensions keep gold shining or will the revised stance of global central banks dilute its glitter?

Playing on fear

Before the world could fully recover from the pandemic, a full-blown war threatens to send the global economy into a tailspin. Countries are now staring at higher inflation and possibly recession. Time and again, gold has proven to be a safe haven in times of uncertainty. This time is no different. War has created a risk-off environment that is conducive for gold. Investor holdings in SPDR Gold Shares—the world's largest gold-backed ETF—have risen to 1,064 tonnes, up from 975 tonnes on 31 December 2021. Prashant Joshi, Co-

Gold prices had shot up on geopolitical tensions

Escalation in Russia-Ukraine conflict sparked safe-haven demand for gold.



Founder & Partner, Fintrust Adviors LLP, insists, "Gold has always been a perfect hedge against major events affecting economies globally. The Russia-Ukraine situation is no different as heightened

tensions have prompted investors to opt for safe-haven and shun riskier asset classes."

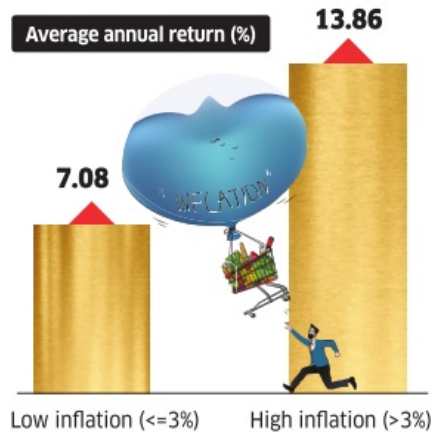
Apart from the geopolitical event itself, multiple other factors are colluding to spur gold prices. "This time it is not just

because of fear of war but also because of fear of more problems with the world economy," asserts Archana Elapavuluri, Co-founder at Pickright Technologies. Firstly, the conflict and resulting economic sanctions against Russia have further fanned the flames of inflation. Russia is a major supplier and exporter of energy, metals and foodgrains. Sanctions have disrupted global supply chains, affecting movement of essential commodities. Russia is also a major producer of gold, so the supply of the precious metal itself is likely to be hit. Besides, the Russian president has signed a decree blocking exports of certain food items and raw materials. Energy prices—mainly crude oil and natural gas—are likely to remain on the boil, which threaten to fuel inflation. As history shows, this will only spur investor interest in gold.

Besides, increased aggression from Russia is likely to compel major European countries into higher military spending. Germany has already announced plans to raise military spends to 2% of its GDP, up from 1.5%. Higher military spending

Compiled by ETIG Database. Source: Bloomberg.

Gold performs well during high inflation

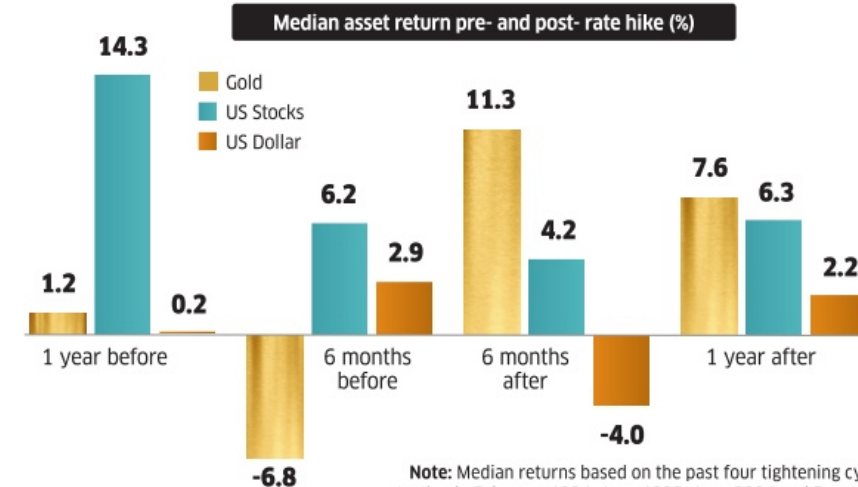


Note: Returns are in US dollar terms, inflation is US CPI since January 1971. **Source:** World Gold Council.

will further add to inflationary pressures. In the event of escalation or prolonged conflict, global central banks are likely to go for more borrowing and money printing. This will devalue debt and currencies, which will boost gold prices. Chirag Mehta, Senior Fund Manager – Alternative Investments, Quantum Mutual Fund, argues, “In the event of this conflict escalating, we are looking at more money printing to fund military

Gold prices can respond positively to a rate hike

Gold has historically underperformed in the months leading up to a Fed tightening cycle, only to significantly outperform in the months following the first rate hike.



Note: Median returns based on the past four tightening cycles starting in February 1994, June 1999, June 2004 and December 2015. **Source:** World Gold Council.

actions, higher energy prices as supplies from major exporters get hit and economic sanctions against Russia as NATO fights back. All these will fan already high inflation, slow economic growth and spur market volatility and risk aversion.”

Domestically, the flight of global capital and expected widening of current account deficit due to higher crude oil import bill is likely to put downward pressure on the rupee. This will prop up domestic gold prices even further. Since gold is priced in

US dollars in international markets and is converted to rupee when we buy or sell gold in India, it directly provides a hedge against possible depreciation in rupee.

Rising rates a spoilsport

The war has also come at a time of global monetary policy shift. The widely accepted narrative is that global central banks are primed to go on an interest rate

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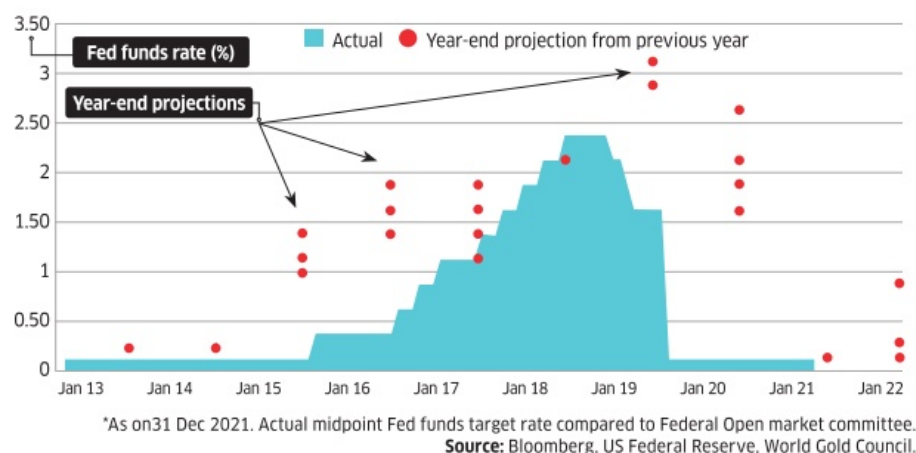
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Fed less hawkish in previous tightening cycle than projected

Stagflation threat will test Fed resolve to tighten liquidity & hike rates furiously.



hike overdrive this year, reversing the easy money policy of past several years. Tighter monetary conditions are generally not supportive of gold prices. In its recent policy review, the US Federal Reserve kick-started the rate hike cycle by raising benchmark interest rate by 25 basis points (0.25%), in line with market expectations. Based on the Fed's signaling, markets are pricing in seven rate hikes of 0.25% each by the Fed this year. While more rate hikes are on the cards, the aggressive tilt towards easing is likely to be tempered given unfolding events. Inflation remains a concern, and the war exacerbates those risks further. But concurrently, the war now threatens to derail the nascent recovery. This tilts the central bank scales away from firefighting inflation at any cost. A possible 'stagflation' will test the Fed's resolve to tighten liquidity and hike rates as furiously as anticipated. Mehta argues, "While the Fed maintained that more hikes were on the table, it remains to be seen how it strikes a balance between containing inflation and supporting economic recovery. That's because higher rates can slow down inflation but they can also increase cost of borrowing and slow down the economy. While the Fed is already behind the curve when it comes to taming inflation, ill-timed tightening comes with the risk of triggering a recession."

However, an analysis of previous tightening cycles shows that the Fed tends not to tighten monetary policy as aggressively as members of the committee initially expected. A more calibrated tightening is not likely to weigh down gold prices as much. Elevated inflation will sustain demand for gold as a hedge. Interestingly, Goldman Sachs analysts contend that gold's usual negative relationship with real interest rates is likely to break down as the Fed rate hike cycle begins. "As we found in the past, gold prices tend to rally during Fed rate hiking cycles," they observed. Indeed, data from World Gold Council shows that gold has historically outperformed in the months following the first rate hike.

At the onset of the geopolitical tensions, Goldman Sachs had indicated that the resulting spike in commodity prices could upset the growth-inflation mix of developed markets, increase concerns of a recession in the US, push gold ETF inflows and lift gold prices to \$2,350 per ounce. This scenario is now likely to be the base case. "The last time we saw all major demand drivers accelerate simultaneously was in 2010-2011 when gold rallied by 70%. Given the material upward revision in investment and demand assumptions, we now upgrade our 12 month gold targets to \$2,500 per ounce," the analysts said in a recent note.

Gold prices receded after sharp uptick upon onset of pandemic

Gold prices can quickly moderate after initial spike amid heightened uncertainty.



What should you do

Naturally, investor interest in gold is currently elevated. But experts insist that the circumstances should not tempt you to take higher exposure to gold. It is difficult to predict how the war is likely to pan out. A prolonged war could keep gold in play but any de-escalation of tensions will quickly boost appetite for riskier assets replacing demand for safe-haven assets. Joshi cautions, "Once the event is over, gold prices may cool down quickly as they have usually done in the past." He insists that the decision of allocating to gold should not be on the basis of an event; rather it should be a well-thought-out strategic allocation. "You have to look at gold from asset allocation perspective and need not rush to add more than required gold in the portfolio," remarks Harshad Chetanwala, Co-Founder, MyWealthGrowth.com. "We have seen from August 2020 onwards how gold prices can remain stagnant or reduce when the situation settles down," he further points out.

Gold prices have already receded from recent highs on rising US bond yields amid expected rate hikes and frantic negotiations for a diplomatic solution to the Russia-Ukraine conflict. Navneet Damani, Senior VP - Commodities Research, Motilal Oswal Financial Services, indicates that the bullion market

initially quickly discounted the worst possible scenario by adding a geopolitical risk premium to gold price. As the war situation subsides, he expects the risk premium to erode. Going forward, gold prices are likely to respond to changes in global inflation and interest rates.

Mehta feels investors should look beyond current geopolitical tensions for their gold buying. "While the Russia-Ukraine conflict will be in the headlines for some time now, investors must keep in mind that gold is not a tactical play." He maintains that one should allocate 10-15% of their portfolio to this asset class for the long term. Over the years, it has proven its utility as a return-enhancing and risk-reducing role in investor portfolios in times of financial, geopolitical or other crisis.

Even for those seeking a tactical play, the best time to buy gold was probably 3-6 months ago. Besides, when gold is shining bright, equities are in a weak spot. This is the time when investors should be loading up on the latter. The rally in gold during the initial breakout of the pandemic amid a sell-off in equities is fresh in our memory. The subsequent uptick in equities also serves as a lesson in asset allocation. Ensure you maintain allocation in equities as bigger opportunities emerge in this segment.



NSE plans to set up domestic exchange for spot gold

The National Stock Exchange (NSE) said last week it planned to set up a new domestic spot gold exchange that would bring more efficiency and transparency to bullion pricing.

NSE will create the exchange together with the India Bullion and Jewellers Association, which represents industry members in India, the world's second largest consumer of the precious metal. The new

bourse will be overseen by Sebi.

"This exchange shall bring in efficiency as well as transparency in the price discovery of bullion," NSE managing director and CEO Vikram Limaye said.

NSE did not specify when the exchange, where jewellers, retailers, refiners and banks will be able to trade over a regulated platform, will start operating.

China, the top gold consumer,

runs a similar bourse, where all domestic production and imported gold has to be bought and sold.

India's central bank currently allows some domestic banks to import gold, which is then purchased by bullion dealers and sold to jewellers before going to retail customers. India's gold demand in 2021 stood at 797.3 tonnes, worth around \$46.1 billion, according to the World Gold Council.

PRODUCT LAUNCHES

Mutual Funds

Invesco Mutual Fund is set to launch Invesco EQQQ NASDAQ-100 ETF FoF on 30 March. The schemes seeks to generate returns by investing predominantly in units of Invesco EQQQ NASDAQ-100 UCITS ETF, an overseas exchange traded fund, which seeks to provide investment results which correspond to the price and yield performance of the NASDAQ-100 Notional Index (Net Total Return) in US dollars. **The minimum investment required is ₹1,000. The NFO closes on 13 April.**

HDFC Mutual Fund is launching HDFC FMP 1876D March 2022. The scheme seeks to generate income through investments in debt / money market instruments and government securities maturing on or before the maturity date of the respective plan(s). **The minimum investment required is ₹5,000. NFO opens on 23 March and closes on 28 March.**

IDFC Mutual Fund has launched IDFC Fixed Term Plan Series 197. The scheme seeks to generate income by investing in a portfolio of debt and money market instruments maturing on or before the maturity of the scheme. **The minimum investment required is ₹5,000. The NFO closes on 23 March.**

₹1,000 pension grossly inadequate, says panel

The minimum monthly pension of ₹1,000 for subscribers of the pension scheme run by retirement fund body EPFO is "grossly inadequate" and it is imperative for the labour ministry to pursue a proposal for raising the amount, a Parliamentary panel has said.

The panel said it becomes imperative on the part of the Ministry of Labour and Employment to pursue the matter with the Ministry of Finance for obtaining adequate budgetary support as recommended by the High Empowered Monitoring Committee, besides impressing upon the EPFO to make an actuarial assessment of all its pension schemes so that the monthly member pension is enhanced to a reasonable extent.

It noted that in 2018, the ministry constituted a High-Empowered Monitoring Committee for complete evaluation and review of the Employees Pension Scheme, 1995. That committee in its report had inter-alia recommended that minimum monthly pension payable to the member/widow/widower pensioner may be raised to at least ₹2,000, provided annual budgetary provision for the same is made, it stated.

However, it also noted that the Ministry of Finance has not agreed to any such enhancement in minimum pension beyond ₹1,000 per month. The parliamentary panel found that the issue has been discussed in detail by that committee. Several committees which have come to the conclusion that unless the actuarial assessment of surplus/deficit of EPFO's pension



schemes is made, revision of the monthly pension cannot be done.

It also said difficulties are being faced by EPFO members for e-nomination, especially by those who retired before 2015, as well as in the functioning of the Online Transfer Claim Portal (OTCP).

While taking note of the appreciable efforts made by the EPFO to maximise use of information and technology tools in line with Digital India initiative, the panel suggested that the retirement fund body should strive further to usher in systemic improvements to address the problems faced in e nomination.

Earlier the EPFO lowered the interest on Provident Fund deposits for 2021-22 to an over four decade low of 8.1% for its five crore subscribers from 8.5% in 2020-21.

SBI MF bets big on HDFC Bank



SBI Mutual Fund, India's largest mutual fund house in terms of assets under management (AUM), was seen lapping up battered shares from banking & financial pack while trimming stakes in select new-age firms and auto and power companies in February, data showed.

SBI MF managed ₹6,51,038.30 crore in total assets, including debt, as of 28 February. Among stocks the fund house bought for the month was HDFC Bank. The MF house held 19,33,83,903 HDFC Bank shares as of 28 February compared with 18,70,95,891 shares as of 31 January. As per a report by Edelweiss, the MF house bought a net ₹896.89 crore worth HDFC shares last month. Overall, SBI MF owned HDFC Bank shares worth ₹27,583.34 crore.

SBI MF bought 89,01,519 Manyavar shares worth ₹794.19 crore. The stock got listed on the bourses on 16 February. HDFC, ICICI Bank, SBI, Axis Bank and Bajaj Finance were some other stocks the fund house bought last month. Reliance Industries, Infosys, Muthoot Finance and Cipla too were on SBI MF's buying radar. —Amit Mudgill

NPS lock-in relief for some



The PFRDA has reduced the lock-in period for NPS investments from 10 years to 5 years for self-employed individuals and others not having employer-employee relationship such as workers on fixed term contracts etc.

However, the lower lock-in does not apply for salaried individuals who invest in NPS. Saraswathi Kasturirangan, Partner, Deloitte India says, "One needs to know that only those NPS accounts are eligible for a lower lock-in period of 5 years where there is no employer-employee relationship. This would mean that any salaried employee is not eligible for a lower lock-in period. This is applicable for self-employed individuals, fixed-term employee, consultants who have left the previous employer." —Preeti Motiani and Sneha Kulkarni

Analyst cuts Paytm price target to ₹450

Paytm, whose stock price has slumped 71% since its November market debut, had its price target reduced further by an Macquarie Capital Securities (India) Pvt. analyst who was early to predict the company's market troubles.

Macquarie's Suresh Ganapathy cut his price estimate to ₹450 from ₹700, citing lower valuations for fintech companies globally. He didn't change his earnings or revenue estimates for Paytm, which he rates underperform.

Paytm pulled off the largest-ever IPO in



India, but has since faced a number of challenges. Ganapathy cited fintech regulations and stricter compliance norms as potential headwinds.

The average 12-month price target among nine analysts covering Paytm is ₹1,203, according to data compiled by Bloomberg.

Ahead of the listing, Macquarie analysts including Ganapathy initiated coverage with an underperform rating and a price target of ₹1,200. The IPO was priced at ₹2,150.

₹648 cr lost in bank frauds



Maharashtra has witnessed bank fraud cases to the tune of ₹124 crore for the first nine months of 2021-22, the highest among all other states in the country, followed by New Delhi at ₹93.07 crore and Telangana at ₹89 crore. In the financial year 2020-2021, Maharashtra recorded bank frauds to the tune of ₹6,807 crore while Delhi recorded bank frauds amounting to ₹1,530 crore.

During the April-December period of 2021-22, the amount involved in bank frauds stood at ₹648 crore, Minister of State for Finance Bhagwat Karad said.

Among the banks, Kotak Mahindra Bank has been hit by the highest number of frauds at 642, involving ₹1 lakh and above, in first nine months of 2021-22, followed by ICICI Bank and IndusInd Bank at 518 and 377, respectively. Banks have recovered over ₹7.34 lakh crore in the last six years and the first six months of the current fiscal year, in nonperforming assets and written-off loan accounts, including those reported as fraud.

The minister said the Reserve Bank of India had issued master directions on fraud to banks in 2016 and the government has instituted wide-ranging structural and procedural reforms to check frauds in banks.

—Sunaina Chadha

Link goals and investment

Pune-based Paliwal can achieve most of his primary goals, but needs to secure his risks better.

by Riju Mehta

Yogesh Paliwal lives in Pune with his homemaker wife and two children, aged eight and two. His monthly salary is ₹1.1 lakh and he has a house worth ₹35 lakh and a plot of land worth ₹32 lakh. He also has a credit card debt of ₹66,000 for which he is paying an EMI of ₹11,000. His goals include building an emergency corpus, taking a vacation, buying a car and a bigger house, saving for his children's education and weddings, and his retirement.

Financial Planner Pankaaj Maalde suggests that Paliwal first repay his credit card debt using his cash. The remaining amount can be used to build an emergency corpus of ₹4.2 lakh, which is equal to six months' expenses. He also needs to add his fixed deposit to this corpus, which should be invested in an ultra short-term fund. Paliwal also wants to take an ₹8 lakh vacation in four years, for which he can allocate his postal scheme and one of the traditional insurance plan's maturity amount. He wants to buy a house worth ₹3 crore in 16 years, for which he will have to sell his house and plot, and start an SIP of ₹17,000 in a diversified equity fund. However, due to lack of surplus, he will have to start after a rise in income.

For his kids' education in 10 and 16 years, he will need ₹49 lakh and ₹74 lakh, respectively, and should start SIPs of ₹11,000 and ₹5,000 in diversified equity funds. For their weddings in 17 and 23 years, he will need ₹63 lakh and ₹95 lakh, respectively. For the older child, he should allocate 25% of the equity mutual fund corpus, and start an SIP of ₹9,000 in a diversified equity fund and ₹2,500 in the gold bond scheme. For the younger kid, he should assign another 25% of the mutual fund corpus and start an SIP of ₹6,000 in a diversified equity fund and ₹2,500 in the gold bond scheme. For retirement in 21 years, he will need ₹4.8 crore, and can assign his EPF, PPF, insurance and mutual funds. He should also start a monthly investment of ₹4,000 in the NPS and deposit ₹500 a year in the PPF. As for his goal of buying a car worth ₹51 lakh, he will have to put it off and reduce the goal value.

For life insurance, he has a term plan of ₹1 crore and three traditional plans. He should retain two plans and surrender one. For health insurance, he should buy a ₹10 lakh independent family floater plan, which will cost ₹1,667 a month. He should also buy a ₹25 lakh accidental disability plan for ₹333 a month.

Portfolio

ASSET	CURRENT VALUE (₹)
Real estate	67 lakh
Cash	2.5 lakh

Debt

EPF	20 lakh
POMIS	5 lakh
PPF	2 lakh
Fixed deposit	2 lakh
Gold	45,000

Equity

Mutual funds	30 lakh
Total	1.28 crore

LIABILITIES	CURRENT VALUE (₹)
Debt	66,000
Total liability	66,000

Net worth	₹1.28 crore
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Cash flow

	EXISTING (₹)	SUGGESTED (₹)
Income	1.1 lakh	1.1 lakh
Outflow		
Household expenses	43,000	43,000
Children's education	8,000	8,000
Loan EMI	11,000	-
Insurance premium	23,417	18,750
Investment	16,000	40,000
Total outflow	1.01 lakh	1.09 lakh
Surplus	8,583	250

FINANCIAL PLAN BY
PANKAJ MAALDE
CERTIFIED FINANCIAL PLANNER



YOGESH PALIWAL, 39 YEARS, SALARIED, PUNE

How to invest for goals

GOAL	FUTURE COST (₹) / TIME TO ACHIEVE	RESOURCES USED	MONTHLY INVESTMENT NEEDED (₹)
Emergency fund	4.2 lakh	Cash, FD	-
Vacation	8 lakh / 4 yrs	POMIS, insurance	-
1st child's education	49 lakh / 10 yrs	Mutual funds	11,000
2nd child's education	74 lakh / 16 yrs	Mutual funds	5,000
Buying a house	3 crore / 16 yrs	Real estate	17,000*
1st child's wedding	63 lakh / 17 yrs	-	11,500
2nd child's wedding	95 lakh / 23 yrs	-	8,500
Retirement	4.8 crore / 21 years	Mutual funds, EPF, PPF, insurance	4,000
Investible surplus needed			40,000

Annual return assumed to be 12% for equity, 7% for debt funds. Inflation assumed to be 7%.

* Due to lack of surplus, investment for this goal will begin after a rise in income.

Insurance portfolio

INSURANCE	EXISTING COVER (₹)	EXISTING MONTHLY PREMIUM (₹)	SUGGESTIONS	SUGGESTED MONTHLY PREMIUM (₹)
Life insurance				
Term plan (1)	1 crore	10,000	Continue	10,000
Traditional plans (3)	29 lakh	13,417	Surrender one plan	6,750
Ulips	-	-	-	-
TOTAL	1.29 crore	23,417	₹1.15 crore	16,750
Health insurance				
Employer's	-	-	-	-
Own	-	-	Buy ₹10 lakh family floater plan	1,667
TOTAL	-	-	₹10 lakh	1,667
Critical illness & accidental disability	-	-	Buy ₹25 lakh accidental disability plan	333
TOTAL	-	-	₹25 lakh	333
Insurance cost	-	23,417	-	18,750

Premiums are indicative and could vary for different insurers.



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Looking for a professional to analyse your investment portfolio? Write to us at etwealth@timesgroup.com with 'Family Finances' as the subject. Our experts will study your portfolio and offer objective advice on where and how much you need to invest to reach your goals.

Pandemic and positive change

Two years of living with covid has changed our attitude towards money and work, says **Uma Shashikant**



GETTY IMAGES

cars are now at a premium. Who would have thought?

We could have our pet theories about how people have saved money that they spent on food, movies, clothes, shoes and stuff. But spending habits have changed. Everyone wants to loosen their purse strings. And spend where they think it matters. Staying at home and staring at the backyard must have prompted the husband to think that a pond and flowing water might be a good idea. Who knows?

Every friend of ours confirmed that they have given away the most in charity in the last two years. Many of us were starkly reminded of our privilege as we witnessed first hand the suffering around us. We realised how fragile the incomes of migrants are; we knew that our household staff needed support; we did not want hospitalization and education to be stalled for want of funds; we rushed in when natural calamities made things worse for an already suffering population; and our outrage about the war is primarily about the avoidable human suffering. The pandemic has softened our attitudes for the better.

Our money has received the attention it so deserved. Many have managed to review their portfolios, track what is going on in markets, make investment decisions with involvement and revamp what is not working. Interest in investments that is driven by a market boom shows up as an increase in day trading and speculation, leverage and betting, and heightened interest in market news and tips. After a long time, we see operational focus and strategic orientation. The husband worked with me on all the paperwork for annual investment review and for filing our taxes—an event that has not happened in 35 years!

All this focus on what matters in life—home, children, happiness, wealth, health and charity—is great. Leaves me feeling that we may have finally broken away from the mindless run chasing careers and work and allowing life to be subservient to the demands of the profession. A balance is wholeheartedly welcome.

But what is life without human connection and community? Studies on happiness have pointed out that beyond the needs for sustenance and security, money can't bring happiness. It is our ability to link ourselves with other lives that creates joy. Not merely happiness but purpose is what drives our lives and sustains the happiness we derive. That is what this pandemic has destroyed for us. We have to rebuild our groups, teams, friends and community beyond what we have managed to do virtually. I need friends and hugs to survive, please.



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UMA SHASHIKANT
IS CHAIRPERSON, CENTRE
FOR INVESTMENT
EDUCATION AND LEARNING

The fear of the pandemic has driven us all to save, to be happy with what we have. For years we will keep going back to analyzing and trying to understand why we did just the opposite and why spending shot through the roof.

The husband approved the koi pond in the backyard. Just like that. I am still reeling in shock. Not that I always seek his approval or that he refuses them when I do. It is just that he would have seen this expense as wasteful. And I would have had to convince him over time. This was too swift given our history. Something has changed.

It is too early to make bets that the last two years of dealing with the pandemic have altered our lives irrevocably. We might have swung a bit too much to the other side and perhaps we will find a new normal soon. But our attitudes to life and money have changed. I see it as very welcome. I quickly checked with friends. There seem to be some common threads.

We have dealt with the alpha male for too long. That scary stereotype that believes he knows it all, and is always in charge, and is our protector and provider. The last few years brought up some lame versions of beta and omega, but we women remained unimpressed. For the longest time we have put up with people (yes, women also joined that bandwagon) that treated work as life. Long hours was the mark of power and position, and not having time for the family invoked humble brags if at all.

Not any more. That workaholic world did not have the first hand experience of working from home for a prolonged period. Even if many wring their hands in despair and can't wait to return to their cubicle at office, the world now knows that balancing

work and life is the way to be. The world does not end if you choose to cook a meal while taking a call.

That has calmed the nerves of many households. Much to the chagrin of the HR folks, people are now demanding a new work culture of being able to work from home for a few days of the week, at least. They are quitting and changing jobs; settling for lower salaries with lower work pressures; moving away to suburbs and rural areas; getting involved with children and the household; and men are learning to cook and clean. We may be finally reclaiming our lives from the jaws of the career.

The fear of the pandemic has driven us all to save, to be happy with what we have, and to take fewer loans. For many years, we will keep going back to analyzing and trying to understand why we did just the opposite and why spending shot through the roof.

In the US for example, housing prices have boomed; renovations and repairs have happened in virtually every home, creating shortages of wood, materials and labour; online sales of virtually everything have surged; demand for appliances, consumables, clothes and even jewellery has gone up so much that amidst severe supply chain shortages and surging demand, the inflation numbers have swung sharply up.

Our car dealer is pleading with us to sell our car back to him at a premium, as he has new customers waiting in line to pay more. There are no electronic chips to roll out new cars, and given the long line of buyers, used



Ensuring a smooth transition into retirement

Assess your financial preparedness beforehand so that you can make changes to your plan, if required

Manish Gupta is seven years away from retirement. He has been diligent in meeting all his financial responsibilities including children's education and saving for his retirement. Now that he is close to retirement, he wants to make sure that he is on the right track in his planning. He also wants to understand what else he needs to do at this stage to ensure a smooth transition into retirement.

Manish will now be able to work with more realistic numbers on retirement income and expenses than he would have been when he started planning and saving for retirement. One way to assess his financial readiness is to create a budget for his family by which he plans to live in retirement and live by it for a few months. This will give them a better idea of whether the income is adequate and the expenses manageable.

It is better they do it at this stage as they will still have time to take corrective measures, if required. Based on the adequacy of their income, the Guptas can decide if their retirement target date is realistic. If their corpus or income seems inadequate in the light of their current situation, they can explore

options like postponing their retirement, supplementing retirement income with post-retirement employment, or cutting back on some of their expenses.

The Guptas need to consolidate information on their financial affairs such as retiral benefits, investments, banking and insurance so that they have a clear idea of what their position is and if there are any gaps that need to be filled. This is a stage in life when their earnings are at a peak and most of their large ticket expenses and responsibilities have already been taken care of. They should increase their savings as much as possible so that they don't have to cut back on the quality of life in retirement.

They should also rebalance their investment portfolio with the focus moving away from growth to income-oriented and lower

risk investments, at least for the portion of the corpus that will generate the income in retirement. It is best to do this over a period of time in a systematic way so that they are not affected by the market movements. Their insurance needs will also change, with a greater focus on healthcare and the protection of physical assets. Their health situation will be much clearer now enabling them to take a health insurance cover specific to their requirements.

Other things they may need to do at this stage include ensuring that they are debt-free before retirement. If they have not already done it, they must have their estate planning done in a way that is best suited to their family situation. Assessing and managing their financial situation at this stage in life will help them make the move to retirement as smooth as possible.

Content on this page is courtesy Centre for Investment Education and Learning (CIEL). Contributions by Girija Gadre, Arti Bhargava and Labdhi Mehta.

PAPER WORK

•• Paying advance tax

Advance tax is the income tax paid in advance during the financial year instead of paying it at the end. The tax rules prescribe certain dates through the year when this must be paid. Advance tax may also be known as "pay as you earn" tax as it is paid in installments during the financial year.

When is it payable?



Where the tax payable by a person exceeds ₹10,000 after deducting the TDS advance tax comes into play. If advance tax is not paid within the due dates, interest is payable on the tax as per the provisions of the IT Act.



Due dates

- **15%** of the advance tax should be paid on or before 15 June of the financial year.
 - **45%** of the advance tax (less tax already paid) should be paid on or before 15 September.
 - **75%** of the advance tax (less tax already paid) should be paid on or before 15 December.
 - **100%** of the advance tax (less tax already paid) should be paid on or before 15 March.
- In the case of taxpayers who have chosen the presumptive taxation scheme, 100% of advance tax needs to be paid on or before 15 March of the financial year.



How to pay?

Challan 280 has been prescribed by the I-T department for payment of advance tax. It can be paid online using the link <https://onlineservices.tin.egov-nsdl.com/etaxnew/tidsnontds.jsp> and clicking on the tab for Challan no./ITNS 280. Next, select the option "advance tax" and pay through net banking or debit card. Once the payment is made, a tax receipt is displayed on the screen. Download and keep it with you for future references.

•• Points to note

- While making online payment of advance tax, it is very important to select the correct assessment year.
- In case of an NRI, advance tax is payable if their income taxable in India exceeds ₹10,000.

SMART THINGS TO KNOW

Dabba trading

1

It is an unauthorised pseudo stock market with its own set of rules. It is illegal and not regulated by the market regulator.

2

It is carried out by persons not registered with SEBI and transactions are in cash.

3

It is active in the equity markets with shares linked to listed equity shares and commodity markets.

4

The operator acts as the stock broker and puts the order of the trade in his book as the stock exchange and collects money. The counter party is liable to pay for profits.

5

There is no guarantee of settlement of transactions and these carry a significant risk of losing money.



How to handle money on a holiday with friends

Ensure that your relationship doesn't sour over splitting money while travelling or taking a vacation with your friends, says **Riju Mehta**.

Going on a holiday with your friends can be one of the most enjoyable experiences. Yet, when it comes to managing money and splitting it after the vacation, it not only turns into a cumbersome exercise, but can also create a rift among the best of companions. While some may feel they have paid more than the others, others may feel shortchanged as they could not do things or visit sites that they wanted despite contributing for it. How does one ensure that everyone gets their money's worth and pays equally for the trip without affecting their relationship? Here are some tips to follow.

1 Have an open discussion

Even before you start planning the trip, have an informal discussion about where everyone wants to go and what each one wants from the trip. More importantly, find out the financial capacity of every group member and how much each one wants to spend on the trip. Check if they want a budget outing or a luxury one, the place(s) they want to visit, the number of days they want to spend, the type of

accommodation they want, the modes of travel they can afford, the type of food they want and the sightseeing they want to accomplish. This exercise is best conducted by one person, who can act as a coordinator. Arrive at a consensus about who will plan the trip, make the bookings and be in charge of all the spends and financial transactions.

2 Prepare an estimate

Once you pool in the requirements for every member, prepare a financial estimate about the trip, including every likely spend, be it on stay, travel and eating or sightseeing and local commute. Pass it around the group to check if it is acceptable to everyone and make any suggested changes before starting with the actual planning. Also, make sure the dates of the trip suit everyone because if someone backs out at the last moment, your calculations may go haywire as each one may have to bear an additional financial burden for the trip.

3 Plan in advance

Once you have a consensus, make the bookings for hotels, flights or trains,

and sightseeing, where possible. Let everyone know how much has been spent by sharing the booking mails and messages to everyone.

4 Use smart apps to split

Instead of one person keeping tabs on every spend or each member noting down their financial transactions during the trip, an easy exercise is to download apps like Splitwise, SuperSplit, Splid, Settle Up, etc. These apps make it extremely easy to create groups among friends and keep track of shared expenses and bills while travelling. They help calculate how much each one owes and to whom, as well as make payments. While most such apps are free to use, some require a small subscription fee. Some apps even allow the users to convert money into different currencies for those who want to travel abroad.

5 Split as soon as trip ends

If you are not using apps and have kept track of all the payments manually, it is important to split these and make the required payments the moment that the trip ends. If the payments are delayed, it is likely that some member will forget to pay, making it awkward for everyone who is owed.

IF YOU HAVE A WEALTH WHINE, WRITE TO US...



All of us have been in a financial dilemma when it comes to relationships. How do you say no to a friend who wants you to invest in his new business venture? Should you take a loan from your married brother? Are you concerned about your wife's impulse buying? If you have any such concerns that are hard to resolve, write in to us at etwealth@timesgroup.com with 'Wealth Whines' as the subject.

Disclaimer: The advice in this column is not from a licensed healthcare professional and should not be construed as psychological counselling, therapy or medical advice. ET Wealth and the writer will not be responsible for the outcome of the suggestions made in the column.

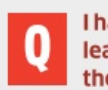
READERS' QUERIES



Can I leave one of my children out of the will and not give him my self-acquired property after my death?

— M. Saxena

As long as the property is self-acquired, you can leave it to whomsoever you wish through a will. However, it will be better to mention in the will the reason you do not want to give it to one of your children as it will reduce the chances of the will being contested by him or her.



I have two children and want to leave my two properties to them after I die. Can I ensure that my will is not contested by anyone after my death?

— Manohar Narang

There is no assurance that the will will not be contested after your death. However, you can minimise the chances of it being challenged by your heirs if you take the help of a lawyer while writing it, and mention all the details of your assets and beneficiaries clearly and without any ambiguity. Getting the will registered also helps enhance its authenticity and validity, thereby re-

ducing the chance of it being contested.



I have two brothers and I am the only sister. My mother passed away a few years ago and my father died recently without writing a will. He had three properties, for which he had acquired land and built the houses with his own money. He wanted to give one house each to the three of us. Now, however, my brothers do not want to share these houses with me. They want to sell all the properties and divide the money among themselves. I want to know if I have a legal share in these properties

and if I can stake a claim to these.

— Seema Sharda

According to the Hindu Succession (Amendment) Act 2005, the daughter has the same right over her father's property as sons. Since your father passed away without writing a will, and you are a class I legal heir, you have an equal right over the properties and can stake a claim in the court of law.



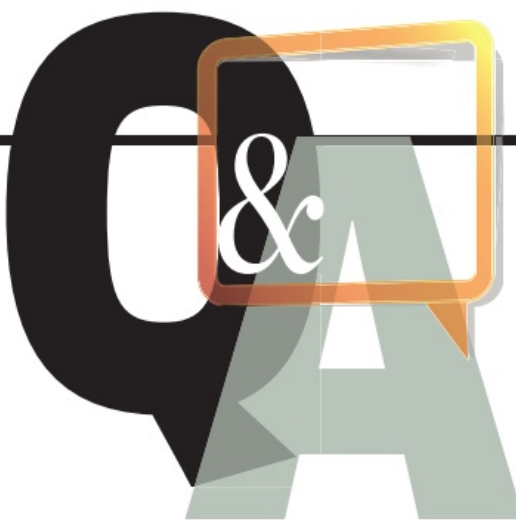
I have a self-acquired property and have two children. However, I want to leave the house to my wife, not to my children after I die. Is there a way I can do this

without the children harassing their mother over the ownership of the house?

— V. Sharma

If you want to leave the house to your wife, not to the children, you can prepare a will to this effect with the help of a lawyer. You can clearly mention that you want to leave the house to your wife, not to the children, and also list the reason for doing so.

Disclaimer: The responses are based on limited facts provided by the queries. It is advisable to consult a legal practitioner after presenting full facts and documents. Responses should not be considered as legal advice in any manner whatsoever.



I am 59 and recently retired. I have a corpus of around ₹20 lakh, which I intend to invest in mutual funds. Should I invest all at once or gradually and where?

Do you have any other savings or investments apart from this money? What is your goal and time horizon? The answers to these questions are very important to accurately guide you. Since you are retired and almost a senior citizen, your investment strategy should be conservative with focus on capital preservation. You can consider high credit quality and well managed debt funds from the corporate bond and banking & PSU categories, with a minimum time horizon of 3 years. Next year, you can also look at Senior Citizens' Saving Scheme and Pradhan Mantri Vaya Vandana Yojana. You don't need to gradually invest in the fixed income space and can deploy your corpus all at once. If you have enough corpus and diversification already in the fixed income space, only then you can think of deploying around 10-20% surplus out of your overall investment kitty in a combination of large-cap, flexi-cap and dynamic asset allocation funds based on your goal, risk appetite and horizon. Currently the equity segment is in a correction mode and thus this is a good time to stagger your surplus corpus. Please keep in mind that equity is a very volatile asset class. Investing in this segment requires a lot of time and patience and will need you to be invested for a minimum period of 5 years.

RUSHABH DESAI

Founder, Rupee With Rushabh Investment Services



I want to save taxes with smart investments. I started working in February 2022 with an annual package of ₹15 lakh. I am paying employee TDS for the first time. How do I save taxes efficiently?

Tax planning is one of the aspects to be considered for investments but not all. It is not a year-end activity but a recurring process. One should assess the risk appetite and consider several factors like age, career stage, marital status, etc. and plan accordingly. The investments opted for should also be in sync with long-term investment objectives. Ulips and NPS are equity-linked investments that are allowed as deduction under Section 80C. For a safer option, you can look to contribute to the PPF or 5-year tax saving FDs. But all such investments are subject to certain lock-in periods. An additional deduction of ₹50,000 for NPS is allowed. Foremost, you should also look to avail a term insurance plan (allowed u/s 80C) and health insurance for you and your family. The deduction for health insurance premium is available u/s 80D up to the maximum amount of ₹50,000 (₹25,000 for self, spouse and children and remaining ₹25,000 for parents).

Amit Maheshwari
Partner, AKM Global



Our panel of experts will answer questions related to any aspect of personal finance. If you have a query, mail it to us right away.

QUESTION OF THE WEEK

I am 50. I am investing in mutual funds for my retirement 10 years away. I invest in equity mutual funds through SIPs and have lumpsum investments in debt funds. The debt fund corpus is my emergency fund. I have invested ₹3 lakh in SBI Dynamic Bond, ₹1.5 lakh in Axis Dynamic Bond, and ₹40,000 in Axis Banking and PSU Debt Fund. For the past two years, these funds have underperformed. I intend to redeem these investments and invest in other debt funds. I don't need money right now. As interest rates are expected to rise, I understand it would be prudent to invest in short term funds? If yes, can you suggest debt funds I can invest the proceeds in?

Ideally, the money kept for any contingency should be parked in a sweep-in fixed deposit, or liquid funds, or a combination of both. This bucket should be equivalent to expenses for 12 months, which includes household expenses, EMIs, premiums, and investment commitments. The money needed for short-term goals can be parked in a combination of other debt mutual funds and arbitrage funds. Hence, the three funds in which you're currently invested are not best suited for your emergency fund. As far as interest rate volatility is concerned, the modified duration of Axis Banking and PSU fund is now 0.77 years and thus it won't be affected much by interest rate hikes. Likewise, portfolio of the dynamic bond funds is currently towards longer end of the curve. All these funds have quality portfolios. You can continue with these funds if, a) you can create a separate pool for contingencies and keep these funds for any other short-term needs, b) you want to avail indexation benefit since you have already stayed invested for two years. If these reasons don't apply, then it's best to redeem and recreate the contingency bucket. Keep safety and accessibility as primary factors and don't look for returns.

Prableen Bajpai
Founder FinFix Research & Analytics



I recently sold my property in Mumbai which fetched ₹1.5 crore, out of which the capital gain is ₹50 lakh. I intend to invest ₹1 crore in a liquid fund and start an STP in five mutual funds. Since I don't need this money for the next 5-7 years, the best option would be to invest the capital gain amount in 54EC capital gain bonds. However, since the interest earned from these bonds would be taxable as per the IT slab (30% in my case), the alternate option is to invest ₹50 lakh also in a large-cap fund for 5-7 years. This option would result in 20% capital gain tax. Since my investment horizon is long and I can take moderate risk, which option will yield better returns?

We suggest you invest ₹1 crore (67% of the total portfolio) in equity with a healthy exposure to large cap, large & mid cap, flexi cap, mid cap and value categories equally divided among ICICI Pru Large Cap, HDFC Large & Mid Cap, Axis Growth Opportunity Fund, Canara Robeco Flexi Cap, Kotak Emerging Equity Fund, Mirae Asset Mid Cap, IDFC Sterling Value Fund and SBI Contra Fund. This investment can be made through STP route over 6-8 months. Invest the capital gains in bonds which also offer tax benefits through Section 54EC. The investment in such bonds must be made within six months of the sale of property to avail the tax exemption. Shift bulk of the portfolio from equity to fixed income-oriented products at the time of your retirement.

Sanjiv Bajaj

Joint Chairman & MD-Bajaj Capital



I will be getting around ₹70 lakh in August 2022 from matured FDs. Since interest rates are quite low in banks, I am thinking of some alternate options. My target is to receive ₹20,000 per month as a regular income from this investment.

Your safest option would be a bank FD with a scheduled commercial bank. At an average of 5% returns, your corpus of ₹70 lakh would earn you an interest of approximately ₹30,000 per month. Remember the interest earned would be taxable as per your tax bracket. If you are willing to consider slightly more risky alternatives that will provide higher rate of returns, one alternative is a Systematic Withdrawal Plan (SWP) from mutual funds. While the risk involved here is more than FDs, you can stand to earn 8-10% returns depending on the funds you invest in. This means that at a rate of return of 10%, you may be able to get an income of ₹60,000 per month from an investment of ₹70 lakh and comfortably conserve your capital. If you keep your monthly expense low, you would be able to grow your capital as well as earn an income with ease. This can also help you increase your income from your investment over time keeping pace with inflation. Bear in mind that there may also be exit loads that may impact your returns. You will also need to pay capital gains. Make it a point to check the fund and fund house performance in detail before you invest. Use a calculator to check your returns and calculate your actual returns after tax so that you understand exactly how much income you stand to get.

Adhil Shetty
CEO, BankBazaar



Ask our experts

Have a question for the experts?
etwealth@timesgroup.com

SMART STATS

ET WEALTH TOP 50 STOCKS

The Economic Times Wealth
March 21-27, 2022

In This Section

MUTUAL FUNDS - P18

LOANS AND DEPOSITS - P20

ALTERNATE INVESTMENTS - P21

Every week we put about 3,000 stocks through four key filters and rate them on a mix of factors. The end result of this is the listing of the top 50 stocks based on the composite rating to help ease your fortune hunt.

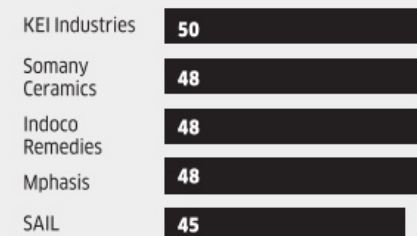
	RANK		PRICE ₹	GROWTH %*		VALUATION RATIOS				RISK		RATING	
	Current Rank	Previous Rank	Stock Price	Revenue	Net Profit	PE	PB	Div Yield	PEG	Downside Risk	Bear Beta	No. of Analysts	Consensus Rating
SAIL	1	1	97.20	45.26	106.35	9.45	0.86	6.11	0.09	2.13	1.33	28	4.14
IndusInd Bank	2	3	928.65	19.25	73.66	15.98	1.49	0.56	0.21	1.72	1.57	48	4.73
UPL	3	4	752.45	24.04	50.52	19.72	2.71	1.35	0.29	1.39	1.09	31	4.55
Coal India	4	--	176.90	25.98	39.66	8.39	2.92	10.12	0.21	1.41	0.82	27	4.26
Orient Cement	5	5	143.70	33.47	68.82	13.23	2.17	1.08	0.21	1.79	1.72	15	4.53
Dr Reddy's Laboratories	6	6	3,943.80	23.98	79.55	33.77	3.70	0.64	0.43	1.20	0.22	42	4.64
Bajaj Auto	7	7	3,569.80	42.64	24.85	20.57	3.66	4.05	0.77	1.02	0.77	54	4.39
Hindustan Zinc	8	9	309.95	34.59	42.81	16.17	4.00	5.89	0.04	1.46	0.46	20	2.90
Container Corp Of India	9	8	616.05	41.11	148.73	71.77	3.53	1.02	0.48	1.28	1.00	37	4.24
Hero MotoCorp	10	10	2,369.50	21.40	14.87	15.87	3.00	4.10	0.06	1.10	1.14	52	3.96
Cyient	11	11	899.65	25.33	60.09	27.06	3.33	3.02	0.43	1.44	1.01	24	4.46
Somany Ceramics	12	13	673.10	48.31	83.08	48.78	4.30	0.36	0.30	1.67	1.73	18	4.83
NTPC	13	12	132.75	24.91	11.45	8.68	1.01	5.45	0.64	1.14	1.12	28	4.75
Indoco Remedies	14	--	385.45	48.05	119.65	37.12	4.49	0.40	0.31	1.73	0.72	10	4.40
City Union Bank	15	14	120.45	17.64	49.74	14.90	1.51	0.42	0.30	1.21	1.13	27	4.37
CESC	16	15	74.50	18.54	16.50	7.55	1.02	5.93	0.48	1.36	1.04	18	4.89
KEC International	17	18	400.30	24.71	36.64	18.95	3.12	0.99	0.52	1.50	1.07	31	4.23
Bandhan Bank	18	20	294.45	30.31	67.87	20.52	2.60	0.36	0.31	1.83	1.48	29	3.72
Zee Entertainment	19	17	254.15	16.24	63.63	30.49	2.42	0.98	0.34	2.01	1.59	24	4.46
Mphasis	20	19	3,098.00	47.97	45.70	48.90	9.13	2.04	1.10	1.56	1.29	35	4.74
Birlasoft	21	24	442.50	37.27	71.28	37.89	5.56	0.92	0.51	1.76	1.67	11	4.91
ITC	22	16	242.60	24.90	27.92	22.23	4.85	4.41	0.80	1.09	0.83	36	4.39
JK Lakshmi Cement	23	21	442.40	23.78	23.75	12.82	2.48	0.85	0.54	1.59	1.07	24	4.54
KEI Industries	24	27	1,004.25	49.57	69.89	33.60	5.17	0.24	0.49	1.90	1.16	14	4.64
UltraTech Cement	25	22	6,305.90	30.13	31.79	32.65	3.93	0.61	0.78	1.19	1.08	46	4.46
Transport Corp of India	26	23	574.10	32.64	107.92	29.66	3.74	0.94	0.28	2.37	1.96	10	4.10
Bharat Electronics	27	31	209.00	25.51	28.28	23.85	4.53	1.99	0.84	1.51	1.27	29	4.66
Cholamandalam Invest.	28	25	697.40	31.89	75.58	36.97	5.86	0.29	0.57	1.76	1.50	37	4.49
Tata Power	29	29	230.40	43.54	122.86	58.48	3.26	0.68	0.63	1.99	1.74	24	3.38
Power Grid Corp	30	26	209.35	8.25	9.99	12.53	2.09	8.23	0.85	1.10	0.64	27	4.59
EPL	31	28	167.15	23.65	23.91	21.75	3.06	2.55	0.69	1.32	0.95	15	4.47
DLF	32	38	355.50	28.33	87.81	77.18	2.39	0.59	0.85	2.03	2.23	22	4.50
Sun TV Network	33	30	458.00	30.18	18.61	11.63	2.51	3.05	0.62	1.50	1.06	19	3.95
Godrej Agrovet	34	33	474.85	39.58	43.51	29.05	4.45	1.69	0.67	1.11	0.76	11	3.64
TVS Motor Co	35	32	609.70	26.75	116.95	47.55	7.38	0.24	0.41	1.35	1.18	50	3.80
ICICI Securities	36	36	600.05	33.71	30.98	18.08	10.59	4.13	0.62	1.57	0.89	11	4.09
Endurance Technologies	37	34	1,208.05	35.45	43.33	32.43	4.73	0.50	0.77	1.40	0.95	24	4.12
Coromandel International	38	35	799.80	33.34	18.98	17.15	4.43	1.54	0.86	1.16	0.84	15	4.47
Glenmark Pharma	39	39	446.85	18.39	25.15	12.92	1.77	0.56	0.50	1.44	0.75	22	3.73
Balrampur Chini Mills	40	37	485.15	14.95	40.71	20.76	3.74	0.54	0.43	2.11	0.96	10	4.80
Jyothy Labs	41	41	144.20	26.88	18.70	26.73	3.73	2.76	1.23	1.02	0.63	18	4.50
Cera Sanitaryware	42	42	4,606.40	38.31	83.96	58.01	6.71	0.29	0.70	1.43	0.83	16	4.06
Sudarshan Chemical	43	43	544.45	37.68	24.00	26.23	4.98	1.12	1.10	1.49	1.04	10	4.80
Zensar Techno	44	40	367.35	31.67	47.51	27.15	3.48	1.08	0.89	2.04	2.03	13	4.23
Whirlpool of India	45	44	1,580.95	34.00	71.24	56.15	6.91	0.32	0.80	1.23	0.63	19	3.84
Zydus Wellnes	46	47	1,523.60	19.35	60.45	78.23	2.13	0.33	1.41	0.97	0.49	13	4.69
KNR Constructions	47	46	286.15	31.59	21.35	19.85	4.11	0.09	0.94	1.50	1.09	28	4.54
Emami	48	45	476.60	22.11	74.81	47.30	12.20	1.65	2.27	1.17	0.46	32	4.50
Ajanta Pharma	49	49	1,845.55	26.48	24.74	23.68	5.18	0.53	0.95	1.20	0.62	14	4.64
Lupin	50	--	749.60	18.41	24.03	27.49	2.43	0.88	1.10	1.39	0.82	41	3.12

*REVENUE AND NET PROFIT GROWTH IS BASED ON CONSENSUS ANALYSTS' EXPECTATIONS. NR: NOT IN THE RANKING. DATA AS ON 16 MARCH 2022.

SOURCE: BLOOMBERG

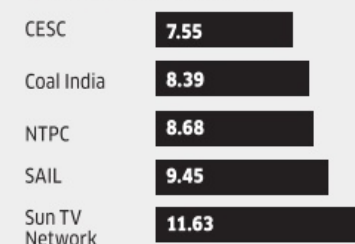
1 Fast growing stocks

Top 5 stocks with the highest revenue % growth over the previous year



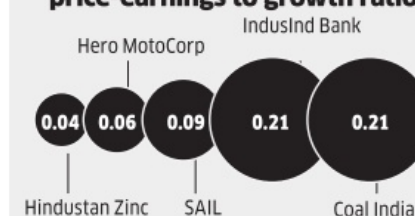
2 Least expensive stocks

Top 5 stocks with the lowest price-earnings ratio



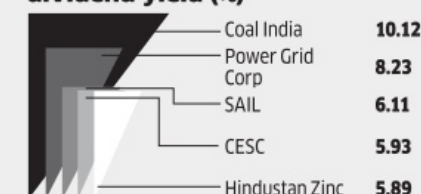
3 Best PEGs

Top 5 stocks with the least price-earnings to growth ratio



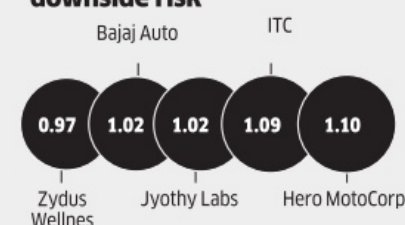
4 Income generators

Top 5 stocks with the highest dividend yield (%)



5 Least risky

Top 5 stocks with the lowest downside risk



SEE DOWNSIDE RISK AND BEAR BETA COLUMNS IN THE ADJACENT TABLE.

ETW FUNDS 100

BEST FUNDS TO BUILD YOUR PORTFOLIO

ET Wealth collaborates with **Value Research** to identify the top-performing funds across categories. Equity funds and equity-oriented hybrid funds are ranked on 3-year returns while debt-oriented hybrid and income funds are ranked on 1-year returns.

	Value Research Fund Rating	Net Assets (₹ Cr)	RETURNS (%)					Expense Ratio (%)
			3-Month	6-Month	1-Year	3-Year	5-Year	
EQUITY: LARGE CAP								
Canara Robeco Bluechip Equity Fund*	*****	6,141.93	-4.90	-7.33	10.39	17.25	14.99	1.87
Axis Bluechip Fund	*****	34,069.34	-5.38	-8.03	9.93	15.78	16.25	1.70
Baroda BNP Paribas Large Cap Fund	*****	1,213.09	-4.18	-5.40	10.50	15.67	13.01	2.18
UTI Mastershare Fund*	*****	9,371.44	-5.97	-6.23	13.52	15.16	13.14	1.82
Kotak Bluechip Fund*	*****	3,761.73	-5.81	-7.71	10.48	14.98	12.55	2.18
ICICI Prudential Sensex Index Fund*	*****	479.33	-3.45	-4.96	11.14	14.39	–	0.29
UTI Nifty Index Fund*	*****	6,134.47	-3.11	-4.66	12.54	14.30	13.89	0.31
IDFC Nifty Fund	*****	365.09	-3.01	-4.65	12.13	14.25	13.84	0.35
HDFC Index Fund	*****	3,015.36	-3.42	-4.93	11.26	14.20	14.36	0.40
Nippon India Index Fund	*****	245.80	-3.47	-4.97	11.11	14.03	13.99	0.40
HDFC Index Fund Nifty 50 Plan	*****	4,812.32	-3.13	-4.73	12.36	14.02	13.69	0.40
Mirae Asset Large Cap Fund*	*****	30,348.97	-4.89	-6.51	11.67	13.80	13.66	1.59
Tata Index Sensex Fund	*****	120.39	-3.43	-4.99	10.53	13.60	13.89	0.59
EQUITY: LARGE & MIDCAP								
Mirae Asset Emerging Bluechip Fund*	*****	21,083.72	-6.84	-7.35	14.92	20.37	17.37	1.69
Canara Robeco Emerging Equities Fund*	*****	12,278.79	-6.42	-6.94	15.95	17.96	15.17	1.86
Edelweiss Large & Mid Cap Fund	*****	1,160.96	-4.76	-4.58	14.91	17.64	14.97	2.22
Sundaram Large and Mid Cap Fund*	*****	4,818.51	-6.86	-5.67	17.28	17.13	13.94	1.73
SBI Large & Midcap Fund*	*****	5,806.23	-4.34	-0.41	21.03	17.05	14.26	2.05
Kotak Equity Opportunities Fund*	*****	8,802.45	-3.26	-6.06	13.89	16.48	13.45	1.88
EQUITY: FLEXI CAP								
PGIM India Flexi Cap Fund	*****	3,636.62	-7.26	-6.70	20.68	23.91	16.84	2.16
Parag Parikh Flexi Cap Fund	*****	20,129.66	-9.38	-5.72	23.24	23.30	19.13	1.81
IIFL Focused Equity Fund	*****	2,640.43	-7.01	-6.45	15.52	22.59	16.32	1.97
UTI Flexi Cap Fund*	*****	24,042.75	-10.06	-10.95	10.42	18.84	16.05	1.63
Sundaram Focused Fund*	*****	667.54	-5.82	-4.74	14.83	18.68	14.70	2.55
SBI Focused Equity Fund*	*****	23,542.03	-9.51	-5.54	19.56	18.19	16.76	1.72
Union Flexi Cap Fund	*****	934.76	-7.28	-7.20	15.80	17.80	13.80	2.31
Canara Robeco Flexi Cap Fund *	*****	6,763.35	-5.49	-6.65	15.55	17.40	15.90	1.93
HDFC Retirement Savings Fund Equity Plan	*****	1,994.95	-5.77	-4.97	21.33	17.29	14.43	2.32
Axis Flexi Cap Fund	*****	10,460.16	-7.21	-7.87	13.08	17.00	–	1.88
DSP Flexi Cap Fund*	*****	7,349.46	-9.15	-10.89	9.70	16.71	13.83	1.91
Axis Focused 25 Fund	*****	19,277.47	-9.50	-12.10	8.38	15.53	15.09	1.79
EQUITY: MID CAP								
PGIM India Midcap Opportunities Fund	*****	4,359.63	-7.43	-5.74	28.00	30.94	18.09	2.14
Axis Midcap Fund	*****	16,517.68	-7.66	-7.63	16.41	21.50	19.29	1.78
Kotak Emerging Equity Fund*	*****	17,379.59	-6.14	-4.75	18.76	21.41	15.25	1.80
Nippon India Growth Fund	*****	11,530.60	-7.46	-7.09	19.97	20.35	15.28	1.90
Invesco India Mid Cap Fund	*****	2,114.80	-7.68	-5.00	16.35	18.93	15.42	2.26
EQUITY: SMALL CAP								
Kotak Small Cap Fund*	*****	6,659.71	-6.87	-2.73	30.63	30.13	18.61	1.95
Axis Small Cap Fund	*****	8,262.78	-4.12	-1.16	33.90	28.89	20.63	1.95
Nippon India Small Cap Fund	*****	17,775.42	-5.45	-1.17	35.09	26.49	19.57	1.89
SBI Small Cap Fund*	*****	10,962.42	-5.34	-0.08	23.74	24.98	20.44	1.83
EQUITY: VALUE ORIENTED								
UTI Value Opportunities Fund*	*****	6,383.77	-4.97	-5.64	12.81	15.96	13.25	1.88
Kotak India EQ Contra Fund*	*****	1,192.50	-3.97	-5.55	11.38	14.86	14.62	2.34
Invesco India Contra Fund	*****	8,203.00	-5.36	-5.17	12.50	14.71	14.53	1.86
EQUITY: ELSS								
Quant Tax Plan*	*****	855.21	-6.79	-1.72	34.24	31.62	21.92	2.62
BOI AXA Tax Advantage Fund	*****	538.52	-7.65	-9.15	17.58	23.76	17.69	2.48
Canara Robeco Equity Tax Saver Fund*	*****	3,217.97	-6.18	-6.54	13.66	19.46	16.84	2.17
Mirae Asset Tax Saver Fund*	*****	10,802.01	-6.12	-6.64	13.35	18.97	17.38	1.75
IDFC Tax Advantage (ELSS) Fund	*****	3,427.64	-3.21	-0.47	22.46	18.80	16.05	2.03
Union Long Term Equity Fund	*****	453.04	-6.35	-5.85	16.37	17.98	13.42	2.47
DSP Tax Saver Fund*	*****	9,397.02	-4.28	-6.46	16.60	17.63	13.98	1.82
JM Tax Gain Fund	*****	63.95	-6.05	-5.00	14.47	17.58	14.69	2.45
Kotak Tax Saver Regular Plan*	*****	2,414.86	-3.60	-3.64	16.03	16.86	13.53	2.16
UTI Long Term Equity Fund*	*****	2,796.36	-7.36	-6.69	13.35	16.23	12.70	2.24
Axis Long Term Equity Fund	*****	31,208.41	-9.90	-12.59	6.75	15.19	14.52	1.67
Invesco India Tax Plan	*****	1,797.01	-7.74	-6.31	11.97	15.19	13.82	2.15
HYBRID: EQUITY SAVINGS								
Mahindra Manulife Equity Savings Dhan Sanchay	*****	399.32	-1.86	-1.03	9.61	11.37	8.56	2.48
Edelweiss Equity Savings Fund	*****	334.39	-1.21	-1.57	6.95	9.47	8.83	2.07

17.25%
THE 3-YEAR RETURN OF CANARA ROBECO BLUECHIP IS THE HIGHEST IN ITS CATEGORY.

20.37%
THE 3-YEAR RETURN OF MIRAE ASSET EMERGING BLUECHIP IS THE HIGHEST IN ITS CATEGORY.

30.94%
THE 3-YEAR RETURN OF PGIM INDIA MIDCAP OPP IS THE HIGHEST IN ITS CATEGORY.

31.62%
THE 3-YEAR RETURN OF QUANT TAX PLAN IS THE HIGHEST IN ITS CATEGORY.

LAGGARDS & LEADERS

Taking a long-term view of fund returns, here is a list of 10 funds in each category—five leaders (worth investing) and five laggards (that may be a drag on your portfolio).

LAGGARDS	LEADERS
Equity: Large-cap 5-year returns	
7.74 Taurus Largecap Equity	19.00 Nippon India ETF NV20
8.73 DSP Top 100 Equity	18.83 Kotak NV 20 ETF
8.74 JM Core 11	18.67 ICICI Prudential NV20 ETF
9.48 IDBI Nifty Junior Index	16.25 Axis Bluechip
9.71 PGIM India Large Cap	15.12 Nippon India ETF Shariah BeES

Equity: Flexi Cap 5-year returns	
7.22 Motilal Oswal Flexi Cap	19.80 Quant Flexi Cap
7.51 Taurus Flexi Cap	19.13 Parag Parikh Flexi Cap
8.13 Nippon India Retirement	16.84 PGIM India Flexi Cap
8.45 LIC MF Flexi Cap	16.76 SBI Focused Equity
9.85 DSP Focus	16.32 IIFL Focused Equity

Equity: Mid-cap 3-year returns	
12.81 Franklin India Prima	30.94 PGIM India Midcap Opportunities
12.82 IDBI Midcap	26.76 Quant Mid Cap
13.21 Sundaram Mid Cap	21.84 Edelweiss Mid Cap
13.59 L&T Midcap	21.50 Axis Midcap
15.36 Aditya Birla Sun Life	21.41 Kotak Emerging Equity

Equity: Small-cap 3-year returns	
12.08 Aditya Birla Sun Life	35.18 Quant Small Cap
16.32 Franklin India Smaller	33.65 BOI AXA Small Cap
16.51 HDFC Small Cap	30.13 Kotak Small Cap
18.76 HSBC Small Cap Equity	30.02 Canara Robeco Small Cap
20.03 Sundaram Small Cap	28.89 Axis Small Cap

Hybrid: Aggressive 5-year returns	
6.33 LIC MF Children's Gift	18.63 Quant Absolute
6.40 Nippon India Equity Hybrid	15.06 BOI AXA Mid & Small Cap Equity
7.11 PGIM India Hybrid Equity	14.19 ICICI Prudential Equity & Debt
7.44 IDBI Hybrid Equity	13.13 SBI Equity Hybrid
7.93 LIC MF Equity Hybrid	12.89 Canara Robeco Equity Hybrid

ANNUALISED RETURNS IN % AS ON 15 MAR 2022.

ETW FUNDS 100

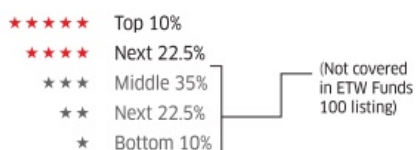
	Value Research Fund Rating	Net Assets (₹ Cr)	RETURNS (%)					Expense Ratio
			3-Month	6-Month	1-Year	3-Year	5-Year	
Kotak Equity Savings Fund*	★★★★	1,738.66	0.27	2.54	9.03	9.14	8.76	2.15
HYBRID: AGGRESSIVE (EQUITY-ORIENTED)								
Quant Absolute Fund*	★★★★★	200.37	-5.83	-1.41	29.32	25.29	18.63	2.31
ICICI Prudential Equity & Debt Fund*	★★★★★	18,714.49	1.67	5.12	26.53	18.38	14.19	1.78
Kotak Equity Hybrid Fund*	★★★★	2,375.34	-3.46	-1.40	12.61	16.62	11.85	2.13
Baroda BNP Paribas Aggressive Hybrid Fund	★★★★★	742.78	-3.27	-4.71	9.77	15.36	—	2.35
Canara Robeco Equity Hybrid Fund *	★★★★★	7,387.39	-3.46	-5.13	11.08	14.67	12.89	1.93
SBI Equity Hybrid Fund*	★★★★	48,844.49	-1.11	-2.01	13.81	14.59	13.13	1.56
DSP Equity & Bond Fund*	★★★★	7,304.55	-6.50	-7.69	8.82	14.16	11.48	1.88
HDFC Children's Gift Fund	★★★★	5,204.08	-4.17	-3.56	14.15	13.89	12.75	1.88
Mirae Asset Hybrid Equity Fund*	★★★★	6,403.15	-4.22	-4.68	10.62	13.09	12.32	1.81
HDFC Retirement Savings Fund	★★★★	767.21	-5.32	-5.04	10.52	12.94	11.95	2.43
HYBRID: CONSERVATIVE (DEBT-ORIENTED)								
SBI Magnum Children's Benefit Fund*	★★★★★	85.72	-1.59	2.67	14.47	10.12	10.34	1.22
Kotak Debt Hybrid Fund*	★★★★★	1,361.32	-1.86	-0.08	9.85	11.29	8.88	1.86
SBI Conservative Hybrid Fund*	★★★★	5,584.18	-1.74	1.30	9.68	10.17	7.97	1.20
ICICI Prudential Regular Savings Fund*	★★★★★	3,302.70	-0.25	1.14	7.98	9.22	8.97	1.75
Canara Robeco Conservative Hybrid Fund*	★★★★	1,091.37	-0.83	-0.81	7.02	10.17	8.47	1.90
HDFC Retirement Savings Fund	★★★★	151.56	-1.84	-0.23	6.25	7.70	7.02	2.12
Tata Retirement Savings Fund	★★★★	185.29	-2.11	-2.61	4.47	7.56	7.12	2.21
DEBT: MEDIUM- TO LONG-TERM								
Aditya Birla Sun Life Income Fund*	★★★★	2,248.51	0.19	1.12	6.60	8.34	7.32	0.80
Kotak Bond Fund *	★★★★	1,908.07	-0.70	0.16	4.96	7.63	6.50	1.70
SBI Magnum Income Fund*	★★★★	1,660.03	-0.21	0.47	4.59	8.39	7.44	1.46
ICICI Prudential Bond Fund*	★★★★	3,188.13	-0.73	-0.09	4.26	7.53	6.97	1.20
DEBT: MEDIUM-TERM								
HDFC Medium Term Debt Fund	★★★★	4,138.20	0.34	1.26	6.13	7.57	7.02	1.29
Axis Strategic Bond Fund	★★★★	1,851.47	0.58	1.62	6.10	7.14	7.33	1.08
ICICI Prudential Medium Term Bond Fund*	★★★★	7,054.28	0.32	1.28	5.95	8.03	7.24	1.38
SBI Magnum Medium Duration Fund*	★★★★★	10,557.73	0.39	1.38	5.55	8.50	7.98	1.21
DEBT: SHORT-TERM								
Nippon India Short Term Fund	★★★★	7,957.38	0.72	1.49	5.52	7.31	6.87	1.15
Aditya Birla Sun Life Short Term Fund*	★★★★★	9,418.17	0.58	1.27	5.05	7.42	7.21	1.12
HDFC Short Term Debt Fund	★★★★	15,345.08	0.42	1.25	5.05	7.64	7.42	0.74
Kotak Bond - Short Term Regular Fund*	★★★★	15,898.08	0.33	0.96	4.72	6.98	6.78	1.16
Axis Short Term Fund	★★★★	12,122.54	0.66	1.30	4.65	7.28	7.04	0.98
ICICI Prudential Short Term Fund*	★★★★★	19,226.46	0.19	1.01	4.50	7.44	7.10	1.13
DEBT: DYNAMIC BOND								
HDFC Dynamic Debt Fund	★★★★★	534.41	-0.95	-0.43	7.96	6.70	5.41	1.72
IIFL Dynamic Bond Fund	★★★★★	705.59	0.97	2.14	7.66	6.93	6.85	0.52
Axis Dynamic Bond Fund	★★★★	2,644.36	-0.61	0.59	6.42	8.43	7.45	0.67
Kotak Dynamic Bond Fund *	★★★★	2,331.07	-0.10	0.82	5.60	7.85	7.80	1.25
Quantum Dynamic Bond Fund	★★★★	86.22	0.27	0.95	4.77	7.32	6.82	0.73
ICICI Prudential All Seasons Bond Fund*	★★★★★	6,273.33	-0.10	0.66	4.71	8.27	7.73	1.38
DEBT: CORPORATE BOND								
HDFC Corporate Bond Fund	★★★★	25,998.63	0.32	1.22	5.58	8.01	7.69	0.60
Aditya Birla Sun Life Corporate Bond Fund*	★★★★★	19,695.31	0.53	1.27	5.27	7.99	7.71	0.45
Kotak Corporate Bond Fund*	★★★★	11,555.97	0.54	1.30	5.13	7.12	7.28	0.65
ICICI Prudential Corporate Bond Fund*	★★★★	17,480.38	0.09	1.06	4.69	7.51	7.26	0.59

All equity funds ranked on 3-year returns. Debt funds ranked on 1-year returns.

Did not find your fund here?
Log on to www.wealth.economicstimes.com for an exhaustive list.

Methodology

The Top 100 includes only those funds that have a 5- or 4-star rating from Value Research. The rating is determined by subtracting a fund's risk score from its return score. The result is assigned stars according to the following distribution:



Fixed-income funds less than 18 months old and equity funds less than three years old have been excluded. This ensures that all the funds have existed long enough to be tracked for consistency of performance. Given the focus on long-term investing, liquid funds, short-term funds and FMPs are not part of the list. For the same reason, we have considered only the growth option of funds that reinvest returns instead of offering dividends that increase the NAV of funds.

Despite these rigorous filters, the list includes 2/3 funds of each category to maximise choice from the best funds. The fund categories are:

EQUITIES (figures over the past one year)

Large-cap: Mostly invested in large-cap companies.

Multi-cap: Mostly invested in large- and mid-cap companies.

Mid-cap: Mostly invested in mid-cap companies.

Small-cap: Mostly invested in small-cap companies.

Tax planning: Offer tax rebate under Section 80C.

International: More than 65% of assets invested abroad.

Income: Average maturity varies according to objective.

Gilt: Medium- and long-term; invest in gilt securities.

Equity-oriented: Average equity exposure more than 60%.

Debt-oriented aggressive: Average equity exposure between 25-60%.

Debt-oriented conservative: Average equity exposure less than 25%.

Arbitrage: Seek arbitrage opportunities between equity and derivatives.

Asset allocation: Invest fully in equity or debt as per market conditions.

FUND RAISER

130%

was the increase in number of index fund folios in the past one year. The number of investor folios rose to 23.42 lakh in February 2022 from 10.14 lakh in March 2021, according to AMFI data.

1 Top 5 SIPs

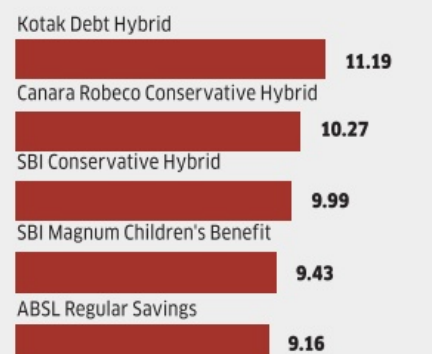
Top 5 equity schemes based on 10-year SIP returns



SIP: SYSTEMATIC INVESTMENT PLAN
% ANNUALISED RETURNS AS ON 15 MARCH 2022

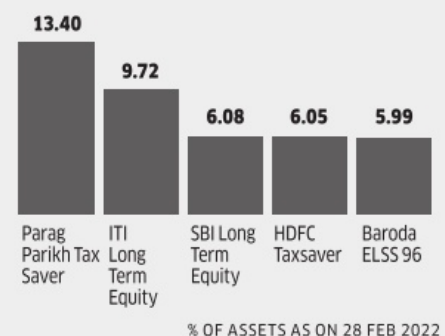
2 Top 5 MIPs

Top 5 MIP schemes based on 3-year SWP returns

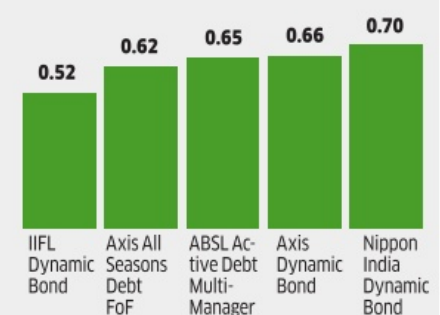


SWP: SYSTEMATIC WITHDRAWAL PLAN
% ANNUALISED RETURNS AS ON 15 MARCH 2022

3 ELSS: Cash holdings



4 Debt: Dynamic bond



% AS ON 31 JANUARY 2022

% EXPENSE RATIO IS CHARGED ANNUALLY.

METHODOLOGY OF TOP 100 FUNDS ON WWW.WEALTH.ECONOMICTIMES.COM

LOANS & DEPOSITS

ET WEALTH collaborates with **ETIG** to provide a comprehensive ready reckoner of loans and fixed-income instruments. Don't miss the information on investments for senior citizens and a simplified EMI calculator.

Top five bank FDs

TENURE: 1 YEAR	Interest rate (%) compounded qtrly	What ₹10,000 will grow to
RBL Bank	6.25	10,640
Indusind Bank	6.00	10,614
IDFC First Bank	5.75	10,588
DCB Bank	5.55	10,567
Karur Vysya Bank	5.40	10,551
TENURE: 2 YEARS		
Indusind Bank	6.50	11,376
RBL Bank	6.50	11,376
Bandhan Bank	6.25	11,321
DCB Bank	6.25	11,321
IDFC First Bank	5.75	11,210
TENURE: 3 YEARS		
Indusind Bank	6.50	12,134
RBL Bank	6.30	12,063
Bandhan Bank	6.25	12,045
DCB Bank	6.25	12,045
IDFC First Bank	6.00	11,956
TENURE: 5 YEARS		
Indusind Bank	6.50	13,804
RBL Bank	6.30	13,669
DCB Bank	6.25	13,635
IDFC First Bank	6.25	13,635
Karur Vysya Bank	5.80	13,336

Top five senior citizen bank FDs

TENURE: 1 YEAR	Interest rate (%) compounded qtrly	What ₹10,000 will grow to
RBL Bank	6.75	10,692
Indusind Bank	6.50	10,666
IDFC First Bank	6.25	10,640
DCB Bank	6.05	10,619
Bandhan Bank	6.00	10,614
TENURE: 2 YEARS		
Bandhan Bank	7.00	11,489
Indusind Bank	7.00	11,489
RBL Bank	7.00	11,489
DCB Bank	6.75	11,432
IDFC First Bank	6.25	11,321
TENURE: 3 YEARS		
Bandhan Bank	7.00	12,314
Indusind Bank	7.00	12,314
RBL Bank	6.80	12,242
DCB Bank	6.75	12,224
IDFC First Bank	6.50	12,134
TENURE: 5 YEARS		
Indusind Bank	7.00	14,148
RBL Bank	6.80	14,009
DCB Bank	6.75	13,975
IDFC First Bank	6.75	13,975
Axis Bank	6.50	13,804

Top five tax-saving bank FDs

TENURE: 5 YEARS AND ABOVE	Interest rate (%)	What ₹10,000 will grow to
Indusind Bank	6.50	13,804
RBL Bank	6.30	13,669
DCB Bank	6.25	13,635
IDFC First Bank	6.25	13,635
Karur Vysya Bank	5.90	13,402



HOME LOAN RATES

With effect from October 2019, all banks have made the transition to external benchmarks for pricing new home loans. Most banks have picked the RBI repo rate as the external benchmark.

REPO RATE: 4%

BANK	RLLR (%)	FOR SALARIED		FOR SELF EMPLOYED (%)		WEF
		FROM (%)	TO (%)	FROM (%)	TO (%)	
Bank of Maharashtra	6.80	6.40	7.80	6.65	8.30	10 Feb 2022
Bank of Baroda	6.50	6.50	7.85	6.50	7.85	7 Oct 2021
Punjab & Sind Bank	6.60	6.50	7.35	6.65	7.60	
Bank of India	6.85	6.50	8.20	6.50	8.35	18 Oct 2021
Punjab National Bank	6.50	6.50	7.65	6.55	7.80	8 Nov 2021
Kotak Mahindra Bank	6.55	6.55	7.05	6.60	7.15	
Union Bank of India	6.80	6.60	7.35	6.60	7.40	27 Jan 2022
IDFC First Bank	6.50	6.60	8.80	6.80	9.40	
Canara Bank	6.90	6.65	8.90	6.65	8.90	7 Feb 2022
ICICI Bank	6.75	6.70	7.40	6.80	7.55	7 April 2021
Axis Bank	6.75	6.75	7.10	6.90	7.20	1 Oct 2021
IDBI Bank	6.75	6.75	8.40	6.85	9.90	24 Sept 2021
HDFC Bank	6.95	6.75	7.65	6.75	7.65	1 July 2020
Indian Bank	6.80	6.80	7.25	6.95	7.40	
SBI Term Loan	6.65	6.80	7.15	7.15	7.50	1 May 2021
Central Bank of India	6.85	6.85	7.30	6.85	7.30	15 Dec 2020
J & K Bank	6.95	6.95	7.35	6.95	7.35	1 March 2022
Indian Overseas Bank	6.85	7.05	7.30	7.05	7.30	1 July 2020
UCO Bank	6.90	7.15	7.25	7.15	7.25	27 May 2020
SBI Max Gain	6.65	7.15	7.50	7.25	7.65	1 May 2021
Karur Vysya Bank	7.05	7.15	9.35	7.15	9.35	7 Aug 2021

Your EMI for a loan of ₹1 lakh

TENURE	5 YEARS	10 YEARS	15 YEARS	20 YEARS	25 YEARS
@ 7%	1,980	1,161	899	775	707
@ 8%	2,028	1,213	956	836	772
@ 9%	2,076	1,267	1,014	900	839
@ 10%	2,125	1,322	1,075	965	909

FIGURES ARE IN ₹. USE THIS CALCULATOR TO CHECK YOUR LOAN AFFORDABILITY. FOR EXAMPLE, A ₹5 LAKH LOAN AT 12% FOR 10 YEARS WILL TRANSLATE INTO AN EMI OF ₹1,435 X 5 = ₹7,175

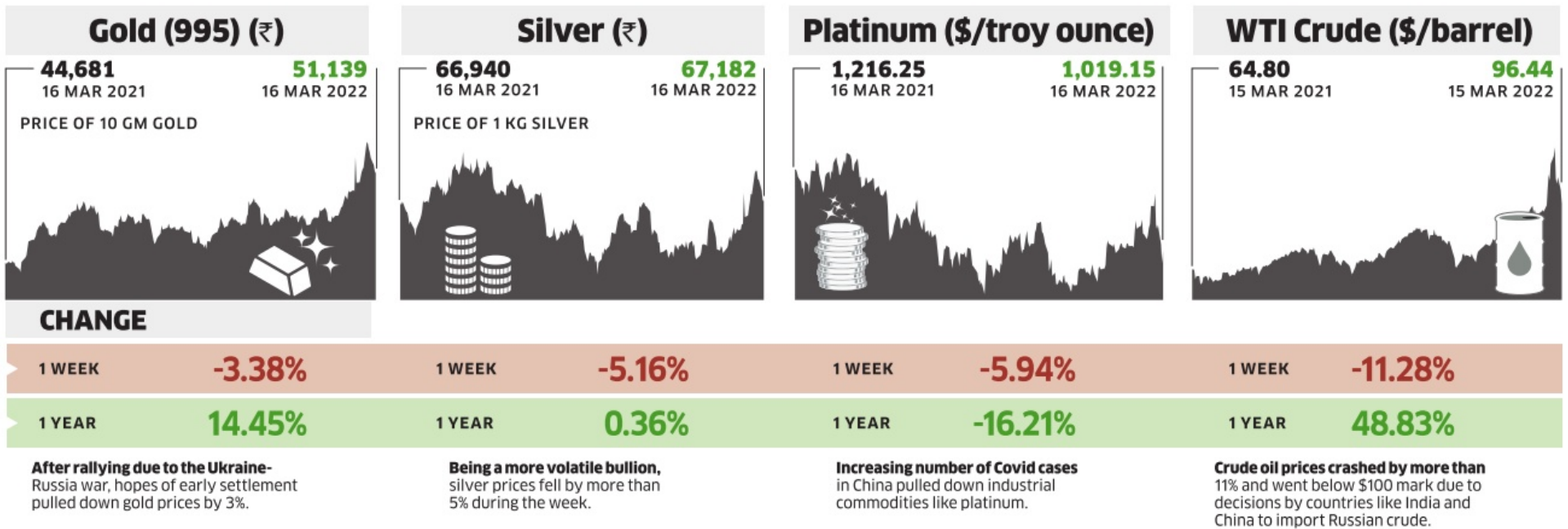
Post office deposits



	Interest (%)	Minimum investment (₹)	Maximum investment (₹)	Features	Tax benefits
Sukanya Samriddhi Yojana	7.60	250	1.5 lakh p.a.	One account per girl child	80C
Senior Citizens' Savings Scheme	7.40	1,000	15 lakh	5-year tenure, minimum age 60 yrs	80C
Public Provident Fund	7.10	500	1.5 lakh p.a.	15-year tenure, tax-free returns	80C
Kisan Vikas Patra	6.90	1,000	No limit	Can be encashed after 2.5 years	Nil
5-year NSC VIII Issue	6.80	1,000	No limit	No TDS	80C
Time deposit	5.5-6.7	1,000	No limit	Available in 1, 2, 3, 5 year tenures	80C*
Post Office Monthly Income Scheme	6.60	1,000	Single 4.5 lakh	5-year tenure, monthly returns	Nil
			Joint 9 lakh	5-year tenure, monthly returns	Nil
Recurring deposits	5.80	100	No limit	5-year tenure	Nil
Savings account	4.00	500	No limit	₹10,000 interest tax-free	Nil

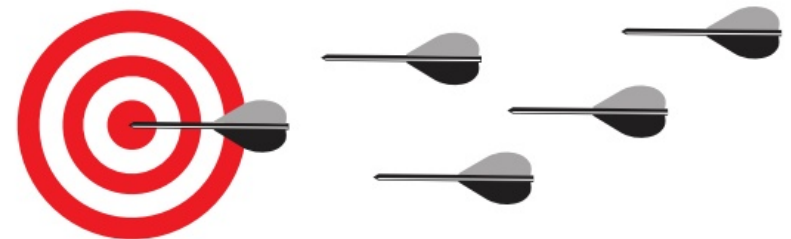
ALTERNATIVE INVESTMENT RETURNS MONITOR

The scope and attractiveness of alternative investments is increasing. Here's a weekly tracker of returns from such investments. But don't compare these with returns from traditional investments since the proportion and purpose of alternative investments is vastly different.



PENNY STOCKS UPDATE

Penny stocks as a recommended non-traditional investment? Not exactly. **ET WEALTH** neither has the expertise nor does it recommend investing in such stocks. But since the relatively 'low' cost of investment attracts some investors to penny stocks, we provide a weekly snapshot of this most volatile and uncertain type of stock investing.



Top price gainers

STOCK	MARKET PRICE (₹)	1-WEEK (%) CHANGE	1-MTH (%) CHANGE	1-MONTH AVG VOL (LAKH)	1-MONTH AVG VOL CHG (%)	MKT CAP (₹ CR)
BLS Infotech	5.95	15.09	145.87	12.94	288.20	414.36
Khoobsurat	4.34	14.81	142.46	36.99	2,209.29	57.64
Advik Capital	3.80	26.25	75.93	7.12	492.98	83.71
Yashraj Containeurs	8.31	21.14	66.20	0.06	-24.36	14.13
Shree Bhawani Paper	5.19	-3.53	64.76	0.03	155.49	18.08
Abhinav Leasing & Fin.	3.07	4.42	55.84	0.45	200.94	15.35
GEM Spinners India	4.54	9.93	52.86	0.00	-27.27	27.87
Spentex Industries	3.61	14.97	51.05	0.55	6.69	32.41
Housing Development	6.98	27.14	50.76	2.39	58.59	330.85
Visesh Infotecnics	1.34	25.23	50.56	279.49	3,647.98	505.77

Top volume gainers

STOCK	MARKET PRICE (₹)	1-WEEK (%) CHANGE	1-MTH (%) CHANGE	1-MTH AVG VOL (LAKH)	1-MONTH AVG VOL CHG (%)	MKT CAP (₹ CR)
Nouveau Global Ventu.	1.42	-1.39	19.33	0.83	7,072.53	26.34
Kretto Syscon	1.15	-13.53	21.05	10.06	3,720.57	18.03
Visesh Infotecnics	1.34	25.23	50.56	279.49	3,647.98	505.77
Khoobsurat	4.34	14.81	142.46	36.99	2,209.29	57.64
Gemstone Investments	1.62	11.72	9.46	14.26	1,954.93	12.10
Ballarpur Industries	1.01	-2.88	-54.71	31.13	1,938.87	130.64
SBC Exports	4.92	-14.73	-30.41	3.73	1,090.27	104.11
Vertex Securities	2.08	4.52	-42.38	0.13	1,067.02	15.39
E-Land Apparel	6.71	16.70	21.12	0.30	746.77	32.20
Advik Capital	3.80	26.25	75.93	7.12	492.98	83.71

Top price losers

Ballarpur Industries	1.01	-2.88	-54.71	31.13	1,938.87	130.64
GCM Securities	4.20	3.96	-53.59	2.09	-82.84	79.80
GG Engineering	6.93	-5.33	-31.32	16.88	419.49	35.72
Kome-On Communicat.	7.23	27.07	-30.95	1.13	-59.44	10.85
SBC Exports	4.92	-14.73	-30.41	3.73	1,090.27	104.11
Madhav Infra Projects	4.92	5.81	-27.11	14.13	-64.52	126.05
UY Fincorp	8.22	-6.38	-24.38	4.49	129.04	158.81
Sintex Industries	8.21	-7.65	-24.19	21.60	-37.99	491.94
Consolidated Const.	3.13	18.56	-23.47	3.73	-79.54	124.73
Natural Biocon (India)	9.97	-4.50	-23.19	1.99	49.55	11.34

Top volume losers

Nila Infrastructures	6.62	0.30	-9.56	1.10	-86.91	260.76
Ujaas Energy	5.02	11.31	-1.57	3.16	-84.71	100.40
GCM Securities	4.20	3.96	-53.59	2.09	-82.84	79.80
Vikas Ecotech	5.82	10.23	5.63	20.57	-79.62	554.53
Consolidated Construct.	3.13	18.56	-23.47	3.73	-79.54	124.73
Goenka Diamond & j.	3.42	4.59	-4.20	2.16	-75.64	108.41
Srestha Finvest	1.85	-1.07	-2.63	4.77	-74.22	15.26
Sintex Plastics Techno.	7.69	2.67	-12.11	8.37	-72.90	489.24
Gold Line International Fi	0.47	9.30	-7.84	5.14	-71.82	24.49
Johnson Pharmicare	1.33	13.68	-11.33	70.98	-71.18	66.50

THE STOCKS HAVE BEEN SELECTED USING THE FOLLOWING FILTERS: PRICE LESS THAN ₹10, ONE-MONTH AVERAGE VOLUME GREATER THAN OR EQUAL TO 1 LAKH AND MARKET CAPITALISATION GREATER THAN OR EQUAL TO ₹10 CRORE. DATA AS ON 16 MARCH 2022. SOURCE: ETIG DATABASE AND BLOOMBERG.

DLF: Coming out of dark clouds

DLF will benefit from the overall revival in residential real estate and increased office occupancy.

DLF, which was overlooked by analysts for a long time due to its low sales and accumulated inventory, is now bouncing back. The analysts are getting bullish on this company on the back of strong turnaround in the residential segment. The company has now been reporting a solid set of numbers for the past six quarters. Its pre-sales in the third quarter of 2021-22 grew 33% q-o-q and 97% y-o-y and this growth is contributed by new launches across all product categories.

In addition to an overall revival in the residential segment, DLF is also benefiting from the increased activity happening in Gurgaon which is the best performing micro-market in the NCR at present. Since its outlook remains strong and DLF has already identified a launch pipeline of more than 35 million square feet of diversified product mix, analysts have revised their sales projection for 2021-22 and 2022-23.

While increased demand is helping real estate players, the increased cost of construction is putting pressure on them. Since DLF is witnessing strong pickup in new launches, it was able to increase prices and pass on part of the additional costs to the consumers. Under the current inflationary scenario, large tracts of fully paid-up land parcels will provide additional advantages to the company.

The company's margins have improved in recent quarters because most of its launches are from historical land banks. It is maintaining its debt at low levels since 2019-20 and thanks to healthy cash flows, DLF has brought down its net debt by more

than 30% during the past two quarters. These reduced debt levels will help the company to acquire more land parcels, whenever the same is available, by increasing its leverage.

The covid-induced work from home culture in the past two years has reduced office requirements and put pressure on its annuity portfolio. However, the offices are gradually opening up and this should help DLF to report better occupancy levels in the coming quarters. While this annuity portfolio

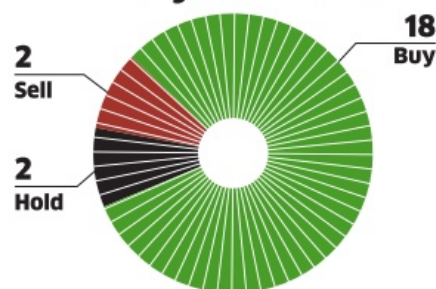
of around 35 million square feet of prime assets is giving steady cash flow now, the company can also use other options like Reit to monetise them.

Recent share price correction and the resultant fall in valuation is another reason attracting analysts to this counter. At the current market price, the company's land bank is trading close to its book value.

Selection Methodology: We pick up the stock that has shown the maximum increase in 'consensus analyst rating' during the past one month. The consensus rating is arrived at by averaging all analyst recommendations after attributing weights to each of them (ie 5 for strong buy, 4 for buy, 3 for hold, 2 for sell and 1 for strong sell) and any improvement in consensus analyst rating indicates that the analysts are getting more bullish on the stock. To make sure that we pick only companies with decent analyst coverage, this search will be restricted to stocks with at least 10 analysts covering it. You can see similar consensus analyst rating changes during the last week in ETW 50 table.

—Narendra Nathan

Analysts' views



DLF has witnessed a strong turnaround in the residential segment and has reported a solid set of numbers in the past six quarters. Reduced debt levels, healthy cash flow, recent share price correction and the resultant fall in valuation are other factors that have made the company a favourite of analysts.

sell and 1 for strong sell) and any improvement in consensus analyst rating indicates that the analysts are getting more bullish on the stock. To make sure that we pick only companies with decent analyst coverage, this search will be restricted to stocks with at least 10 analysts covering it. You can see similar consensus analyst rating changes during the last week in ETW 50 table.

Fundamentals

	ACTUAL		CONSENSUS ESTIMATE	
	2020	2021	2022	2023
Revenue (₹ cr)	6,082.77	5,414.06	6,052.12	6,986.42
EBITDA (₹ cr)	1,168.83	1,518.31	2,148.59	2,260.65
Net Income (₹ cr)	-675.52	1,134.61	1,766.11	2,254.71
Basic EPS (₹)	-2.79	4.58	7.20	9.28

Valuations

	PBV	PE	DIVIDEND YIELD (%)
DLF	2.49	55.78	0.56
Macrotech Developers	12.19	51.98	0.00
Godrej Properties	5.10	-424.10	0.00
Oberoi Realty	3.59	30.57	0.00
Prestige Estates Projects	2.76	11.80	0.33

Brokerage calls

RECO DATE	RESEARCH HOUSE	ADVICE	TARGET PRICE (₹)
8 Mar	IIFL	Buy	430
28 Feb	JM Financial	Buy	450
21 Feb	Edelweiss Capital	Buy	476
2 Feb	YES Research	Buy	602
2 Feb	Emkay	Buy	530

Relative performance



WHAT EXPERTS ADVISE

BUY

*STOCK PRICES AS ON 16 MARCH

STOCK	RESEARCH HOUSE	ADVICE	STOCK PRICE* (₹)	1-YEAR TARGET PRICE (₹)	POTENTIAL UPSIDE (%)	COMMENT
PG Electroplast	Phillip Capital	Buy	667	1,019	53	Initiate 'buy' because its revenue is expected to see exponential growth with CAGR of 91% between 2020-21 and 2023-24, backed by sales of ACs and washing machines.
Aditya Birla Capital	Centrum	Buy	109	150	38	Initiate 'buy' because it offers a good value proposition in the diversified financials space. It has built strong businesses like AMC, NBFC, etc. that could improve profitability and return ratios.
Gujarat Gas	Prabhudas Lilladher	Buy	503	675	34	Reiterate 'buy'. Though recent EU decision to cut on Russian gas will keep spot LNG at elevated levels, its resilient business model will remain well placed to benefit from any resolution in situation.
Brigade Enterprises	ICCI Sec	Buy	479	598	25	Upgrade to 'buy'. With the reopening of offices / malls and resumption in international travel, expect the company's annuity and hotel business to see a significant leg up from the first quarter of 2022-23.
Star Health	Motilal Oswal	Buy	609	750	23	Initiate 'buy'. Given its market leadership in the retail health business, strong earnings growth prospects (25%+ CAGR), and a healthy RoE profile (15-17% in the medium term), the counter deserves a premium.
KPIT Tech	Geojit	Buy	577	680	18	Initiate 'buy' due to its strong fundamentals. Owing to its superior product mix and robust order book, expect its revenue and PAT to grow by 19% in 2021-22 and 22% during 2023-24.

SELL

STOCK	RESEARCH HOUSE	ADVICE	STOCK PRICE* (₹)	1-YEAR TARGET PRICE (₹)	POTENTIAL DOWNSIDE (%)	COMMENT
Jubilant FoodWorks	HDFC Sec	Reduce	2,563	2,400	-6	Maintain 'reduce' due to its valuation. Also cut the target P/E multiple to 45 times of expected EPS in 2023-24 from 60 times, due to uncertainty around various aspects post the CEO exit.

NPS, perks can cut tax by ₹47k

Sudhir Kaushik of *Taxspanner.com* tells readers how they can optimise their tax by rejigging their income and investments.

Pune-based engineer Sudhir Jaiswal earns well but pays a high tax because his salary structure is not tax friendly and he doesn't take advantage of all the deductions available to him. Taxspanner estimates that Jaiswal can save almost ₹47,000 in tax if he gets some tax-free perks, opts for the NPS benefit offered by his company and also invests in the scheme on his own. He also needs to buy health insurance for his mother.

Jaiswal should start by opting for the NPS benefit offered by his company. Under Sec 80CCD(2), up to 10% of the basic salary put in the NPS is tax free. If his company puts ₹4,285 (10% of his basic pay) in the NPS every month, his annual tax will be cut by ₹10,700. Another ₹10,400 can be saved if he invests ₹50,000 in the pension scheme on his own. Jaiswal is only 32, but has very little equity exposure. He should allocate the maximum 75% to equity funds in NPS.

Jaiswal should also ask his company to replace the taxable medical allowance in his salary with meal coupons. He should also ask for a newspaper allowance and a gadget allowance. If Jaiswal gets meal coupons worth ₹22,000 and newspaper allowance of ₹12,000, his tax will reduce by ₹8,300. A gadget allowance of ₹40,000 (where the employee is taxed for only 10% of the value of items purchased in company's name) will further reduce the tax by ₹7,500.

Jaiswal has purchased health insurance for himself and his family, but his senior citizen mother does not have medical cover. He should buy a medical plan for her. A premium of ₹40,000 will cut his tax by ₹4,600.

INCOME FROM EMPLOYER

INCOME HEAD	CURRENT	SUGGESTED
Basic salary	5,14,200	5,14,200
House rent allowance	3,08,520	3,08,520
Special allowance	4,36,680	3,33,260
LTA	70,400	70,400
Medical allowance	22,000	0
Fuel reimbursements	1,20,000	1,20,000
Newspaper allowance	0	12,000
Meal coupons	0	22,000
Telephone allowance	14,400	14,400
Gadget allowance	0	40,000
Performance incentive	2,52,500	2,52,500
Employer's contribution to Provident Fund	61,704	61,704
Contribution to NPS under Sec 80CCD(2)	0	51,420
TOTAL	18,00,404	18,00,404

Reduce this taxable portion of the pay package.

This is now taxable. Replace with tax free perk.

These perks are tax free if supported by actual bills and subject to reasonable limits.

Items bought for personal use by company are taxed at 10% of the value.

Up to 10% of basic put in NPS is tax free.

+ INCOME FROM OTHER SOURCES

Interest income	6,200	0
Capital gains	0	0
Rental income	0	0
TOTAL	6,200	0

Switch to debt funds to avoid tax on interest.

All figures are in ₹

⬆ Denotes suggestion to increase ⬇ Denotes suggestion to reduce

Tax-saving investments

INVESTMENT OPTION	CURRENT (₹)	SUGGESTED (₹)
Provident Fund	61,704	61,704
PPF	60,000	30,000
ELSS	30,000	60,000
NPS under Sec 80CCD(1b)	0	50,000
TOTAL ADMISSIBLE	1,50,000	2,00,000

Reduce PPF contribution and invest higher amount in ELSS at young age.

Consider investing in this tax saving option.

Other deductions

EXEMPTION OR DEDUCTION	CURRENT (₹)	SUGGESTED (₹)
HRA exemption	2,80,000	2,80,000
Medical insurance	18,000	40,000
TOTAL	2,98,000	3,20,000

Buy health insurance for mother as well.

Sudhir Jaiswal's tax

TAX ON SALARY	TAX ON OTHER INCOME	TAX ON CAPITAL GAINS
CURRENT		
₹1,28,201	1,934	0
₹1,30,135		
SUGGESTED		
₹83,404	0	0
₹83,404		

TOTAL TAX SAVED
₹46,731
PER YEAR

TAX RATIO
(Total tax as % of annual income)

EXISTING (₹)	SUGGESTED (₹)
7.2%	4.6%

WRITE TO US FOR HELP

Paying too much tax? Write to us at etwealth@timesgroup.com with 'Optimise my tax' as the subject. Our experts will tell you how to reduce your tax by rejigging your pay and investments.

Readers' response, online and in print, to ET Wealth stories has been enlightening. We pick some that add information and perspective to our articles from previous issues.

This refers to the cover story, 'What's the cost of raising a child'. Every parent has a dream for the future of their child. No matter what you earn and how you invest, the child should be trained to become disciplined not only as far as studies are concerned but at the financial level too. Teaching lessons like how to avoid peer pressure, how to inculcate the habit of saving and how to ignore the bad practice of reckless showing off of money on flimsy grounds, is the duty of every parent. Extravagant celebrations should be avoided to send a signal to your child that accumulation of funds requires much discipline and conviction than spending in a whisker. Saving is more important than earning. Parents will not be there to protect the child forever. It is the values and financial behaviour that will stay with them and help them succeed in life. The practice of financial discipline of your child should begin from the piggy bank.

Amitava Bhattacharya

A must read for young parents

The cover story, 'What's the cost of raising a child', is a must read, especially for parents of young children. The story was insightful and gives a fair idea of the expenses one incurs while bringing up a child. This will help the parents plan their finances well in advance. However, if we take inflation into account, the costs will substantially increase.

Sheeba

It is a very useful article. Actually, the cost will be a little more on medical expenses, as the insurance companies don't reimburse the total amount, even if the child is insured. Thanks a lot for this article, I will send a copy of this issue of ET Wealth to my daughter who is raising her two children.

Nagarjuna S.R.Y.



The column, 'Just words of wisdom and experience', provided very insightful reading. The author presents Buffett's wisdom in the most palatable way. The article also focuses on the company possessing solid infrastructural properties as compared to loss-making, high-priced, new-age internet companies of current times, without naming any.

This is a tip worth a million pounds for a receptive investor! M.S. Patel

It was an excellent article. The thing in the article that raised my eyebrows was that the chairman of Berkshire Hathaway Warren Buffett is optimistic about India. The annual letter provided by the ace investor helps to disseminate the information to a larger audience.

Manish Rakesh Verma

This refers to the article, 'Our obsession with discounts'. Chasing discounts, sometimes we end up buying things that we don't even need. In the age of online shopping, we keep adding several items to our cart to reach a certain value so that we can avail of an offer. By buying these additional items which were not in the plan we spend more than we save through the offer.

Nishtha Roy

REALTY HOT SPOT

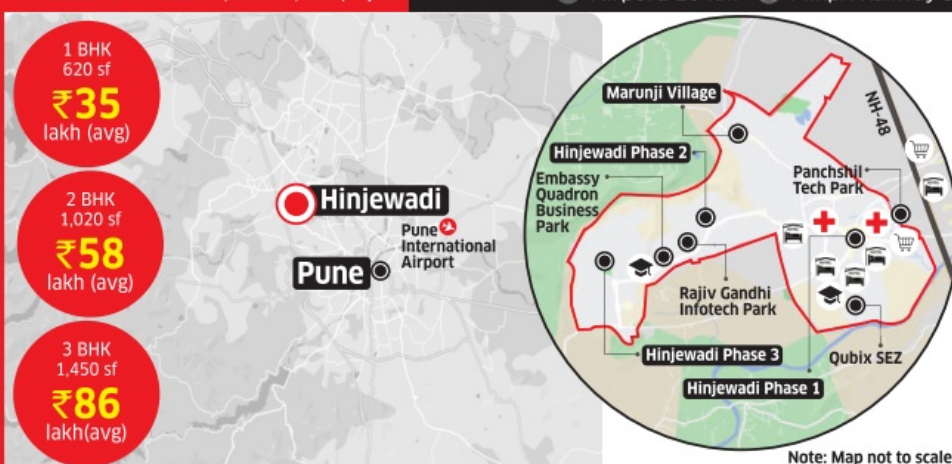
Prominent IT-BPM hub of Pune

This residential micro-market is well connected to other parts of the city and hosts all major social infra.

LOCALITY SNAPSHOT HINJEWADI, PUNE

- Hinjewadi is the most prominent IT-BPM hub and a developing residential micro-market situated in north-western Pune
- Excellent connectivity to other parts of Pune city and to Mumbai via the NH-48
- Hosts several large township projects by well-known developers such as Paranjape, Shapoorji Pallonji, Godrej, etc.
- Key employment hubs: Rajiv Gandhi Infotech Park, Embassy Quadron Business Park, Qubix SEZ, Panchshil Tech Park
- Major social infra: Ruby Hall Clinic, Sanjeevani Multispeciality Hospital, Ryan International Academy
- Malls: Xion Mall, Vision One Mall, Grand Highstreet; Hotels: Taj Vivanta, Hotel Sayaji, Radisson Blu, Hyatt Place

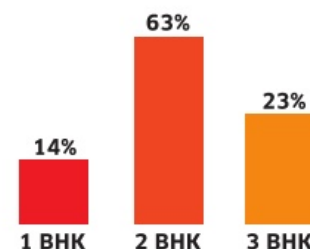
PRICE RANGE: ₹4,000-7,600/- psf DISTANCES: ✈️ Airport: 23 km 🚆 Pimpri Railway Station: 10 km 🛣️ Mumbai-Pune Expressway: 3 km



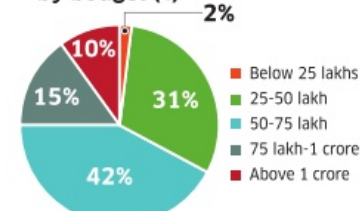
LOCALITY VALUES

Hinjewadi Phase 1
Price (₹/sqft) : 5,200-7,600
*Rent (₹/month) : 15,000-23,000
Hinjewadi Phase 2
Price (₹/sqft) : 4,800-6,900
*Rent (₹/month) : 12,500-20,000
Hinjewadi Phase 3
Price (₹/sqft) : 4,400-6,500
*Rent (₹/month) : 13,000-20,000
Marunji
Price (₹/sqft) : 4,000-6,300
*Rent (₹/month) : 11,000-18,000
*2 BHK Rent (INR/month)

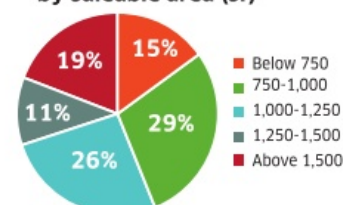
Supply by BHK



Consumer preference by budget (₹)



Consumer preference by saleable area (sf)



Schools 15+ Hospitals 15+ Restaurants 20+ Banks 20+ Grocery Stores 20+ Petrol Pumps 15+

magicbricks India's No.1 Property Site

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